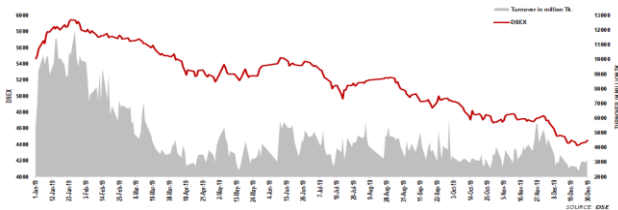


**Stocks in 2019 suffer sharpest fall since 2010-11**

The Bangladesh capital market endured a most pessimistic year in 2019 since the stock market scam and debacle of 2010-11. DSEX, the core index of Dhaka Stock Exchange (DSE), lost 932.71 points or 17.32% (Y-o-Y) to close at 4,452.94 points on the last trading day of 2019. DSEX hit its lowest on 24 December 2019, closing at 4,390.67 points, which was also the lowest since 26 June 2016 when the key index stood at 4,380.22 points. Between January 1 and December 31 in 2019, the Shariah index, DSES and Blue-Chip index, DS30 shed 223.56 points or 18.9% (Y-o-Y) and 367.44 points or 19.54% (Y-o-Y) to close at 999.83 points and 1,513.35 points respectively. Both DSES and DS30 hit their lowest points of 2019 on 23 December 2019 by closing at 981.66 points and 1,494.55 points respectively. During that session, DSES and DS30 came down to 55-months low and 6-years low respectively. In the 237 trading sessions during the year, average daily turnover amounted Tk4.80b, 12.84% lower than the average turnover of Tk5.51b in 2018. Despite listing of nine new companies and one mutual fund in 2019, the market capitalization in DSE shrank by Tk477.44b or 12.33% (Y-o-Y) to Tk3.39-trillion from Tk3.87-trillion in 2018. The bear-run in the stock market was initiated by the crisis in financial sector, fueled by poor macro-economic outlook and aggravated by the sell-offs of shares by foreign portfolio investors along with tussle between government and largest market mover Grameenphone (GP). The failure of regulatory body to address the problems and slowdown in overall private investment led to deep confidence crisis driving investors away from stock market. As per the Central Depository Bangladesh Limited (CDBL) statistics, the number of active Beneficiary Owners' (BO) account stood at 2.56m as on December 26, 2019, down by 0.2m from 2.76m on December 31, 2018. Only the General Insurance sector and IT Sector observed some year-on-year gain in 2019.



**Mutual Funds loosing appeal**

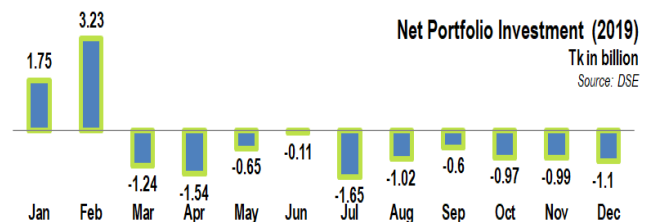
The mutual funds lost confidence of the investors as the sector has been failing to generate satisfactory returns and is also prone to frequent policy changes. Experience of the investors with mutual fund deflated further after unearthing a number of purported violations of securities rules and misappropriation of funds by some Asset Management Companies (AMCs) denting trust. Of the 37 listed mutual funds, only four have been trading above the face value of Tk10. Net Asset Values (NAVs) of only nine closed-end funds were Tk10 or above as on December 26, 2019 and only four funds managed by AIMS and VIPB have positive deviation between market and at cost NAV. On the other hand, the continuous downtrend in the stock market has been shrinking the NAV of all the mutual funds. However, three funds – two managed by ICB and one by SEML – were being traded at premium, meaning higher trade price than market NAV of the funds. Besides, the regulatory unpredictability in this sector has become bane for mutual fund investors as frequent policy adjustments led many investors to losses. Due to bitter experience and poor performance by majority of mutual funds, AMCs are now failing to attract attention of investors. Among 44 AMCs at present, seventeen could not form or sustain any mutual fund.

**Single-digit interest deferred to April**

The management of the local banks, at a meeting in presence of the Finance Minister, agreed to slash interest rates on all lending products except credit cards at 9% from April 01, 2020 instead of the earlier contemplated January 01, 2020. On the flip side, interest rate on deposits would also be brought down to maximum 6% at the same time. Earlier, the board of Bangladesh Bank approved a set of proposals placed by a special committee with a view to finding ways to cut down the industrial lending rates to single-digit. To facilitate the single-digit lending rate by any means, the banking regulator is set to enhance a range of incentives for banks including raising the limit of Advance-Deposit Ratio (ADR) by 1%. Moreover, the government decided to allow the state entities to deposit 50% of their funds with the Private Commercial Banks (PCBs) on the basis of their paid-up capitals, up from the previous ceiling of 25% aiming to minimize the cost of funds in the banking sector. However, though the bankers grabbed nine incentives in the past one and half years from the government with a pledge to keep interest rate down to single digit, yet no progress has been observed in that regard. On the other hand, prominent business leaders opined that it would take three months more to implement the decision where the delay would be proved too late given the existing delicate situation in the industrial sector.

**Foreign portfolio investment in negative balance**

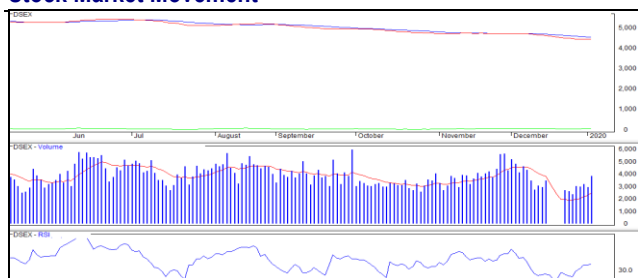
Net Foreign Portfolio Investment at the Dhaka Stock Exchange (DSE) registered a negative balance of Tk4.88b in the calendar year 2019 while the figure was Tk5.93b in the negative in 2018, according to the reports from the DSE. The statistics revealed that the foreign investors bought shares worth Tk36.78b during the year while they liquidated Tk41.66b by selling shares. The foreign funds fell in March after a hike in February and continued the trend till the end of the year amid the bear-run in the local capital market. Experts opine that the tussle between the telecom regulator and the largest mobile phone operator Grameenphone and the economic woes such as hefty toxic loans in the banking system, liquidity crunch, lackluster investment in private sector and depreciation of Bangladeshi taka against the US dollar lured the overseas investors to divest their investment from the local market.



**Prolonged bearish trend pull down DSE earnings**

According to the statistics of Dhaka Stock Exchange (DSE), the prime bourse registered 6.70% (Y-o-Y) negative growth in profit to Tk974m in the FY2018-19, which hit the 10-years lowest figure on the back of depression in the stock market. The bourse logged about 44.3% or Tk974.7m of its total revenue from bank interest and dividend while it earned 33.9% or Tk723.2m from the transactions fee followed by listing fee at 11.1% or Tk243.9m. In the fiscal year, average turnover on the bourse dropped by 5.25% (Y-o-Y) due to the low confidence among investors. However, market experts criticized the heavy dependence on the interest-based profit earnings of the prime exchange.

## Stock Market Movement



### Global Markets

	This Week	Last Week	+/- %
S&P 500	3,234.85	3,240.02	-0.16
FTSE 100	7,622.40	7,644.90	-0.29
Nikkei 225	23,656.62	23,837.72	-0.76
SENSEX	41,464.61	41,575.14	-0.27
KSE 100	42,323.30	40,848.53	3.61

### DSE Indicators

	This Week	Last Week	+/- %
DSE Broad Index	4,459.29	4,418.84	0.92
Total Turnover, Tk	13,028,940,731.00	10,790,630,330.00	20.74
Market Capital, Tk	3,408,110,434,964	3,384,934,114,859	0.68
No of Issue Gain	232	90	
No of Issue Loss	86	229	
No of Unchanged Issues	38	37	

### Top Gainers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Oimex Electrode	19.40	23.10	19.07	103,084,000
Mozaffar Hossain	9.00	10.50	16.67	20,062,000
Khulna Power Co.	44.80	51.90	15.85	585,173,000
Standard Insurance	36.40	41.80	14.84	101,623,000
aamra tech Ltd.	21.80	25.00	14.68	23,965,000
Western Marine	10.70	12.20	14.02	171,951,000
M.L. Dyeing Ltd.	30.30	34.50	13.86	91,663,000
Standard Ceramic	636.00	719.60	13.14	333,959,000
BDCOM Online Ltd.	20.80	23.50	12.98	56,864,000
National Feed Mill	8.50	9.60	12.94	70,645,000

### Top Losers

#### Weighted avg. Closing Price (Tk)

Company	Last Week	This Week	Change %	Turnover (Tk)
Apollo Ispat	4.00	3.60	-10.00	11,910,000
Northern Jute	773.00	704.20	-8.90	141,360,000
BRAC Bank Ltd.	56.60	52.30	-7.60	301,522,000
Mercantile Insurance	12.90	12.90	0.00	28,319,000
Zahintex Industries	4.30	4.00	-6.98	548,000
Samata Leather	167.00	156.00	-6.59	21,261,000
National Life Insurance	288.50	269.70	-6.52	209,357,000
City Bank Ltd.	21.00	19.80	-5.71	171,894,000
Beximco Pharma	71.30	68.00	-4.63	47,153,000
SEML FBLSL Growth	11.00	10.50	-4.55	28,316,000

### Sectoral Index & Turnover

Sector	Sectoral Index			Turnover (Tk.M)		
	This Week	Last Week	Change %	This Week	Last Week	Change %
Bank	363.38	367.86	-1.22	1,531.86	811.20	88.84
Cement	220.33	208.90	5.47	265.67	125.74	111.29
Ceramic	610.61	584.22	4.52	425.65	255.36	66.69
Engineering	1,934.85	1,876.77	3.09	1,737.34	1,211.09	43.45
Food & Al.	3,290.73	3,195.46	2.98	407.15	451.67	-9.86
Fuel & Pow.	3,500.75	3,448.12	1.53	988.34	790.16	25.08
Insurance	1,633.56	1,644.03	-0.64	1,520.05	1,664.26	-8.67
IT	354.73	345.05	2.81	543.43	522.92	3.92
Jute	1,405.10	1,460.21	-3.77	159.33	134.03	18.88
Misc.	1,091.04	1,071.28	1.84	716.43	514.97	39.12
Mutual Fund	381.65	378.75	0.77	174.30	197.50	-11.75
NBFI	912.20	901.78	1.16	343.02	339.94	0.91
Paper	6,825.69	6,753.63	1.07	67.43	74.16	-9.07
Pharma	1,048.89	1,040.40	0.82	1,347.77	1,219.53	10.52
Service	884.78	839.40	5.41	69.53	41.03	69.46
Tannery	650.27	647.07	0.49	165.50	187.21	-11.60
Telecom	2,617.36	2,650.23	-1.24	276.84	240.86	14.94
Textile	1,159.43	1,123.30	3.22	1,429.92	1,379.15	3.68
Travel & Leis	509.83	497.28	2.52	49.69	52.64	-5.60

## Technical Talk

Stocks ended four-week losing streak last week in optimism of improved market conditions in the New Year. During the week, a section of investors opted for bargain-hunting of low-price shares. Among the major sectors, Textile sector increased by 3.22% over the week followed by Engineering 3.09%, Fuel & Power 1.53%, NBFI 1.16% and Pharma 0.82%.

DSE Broad Index (DSEX) reached 4,459.29 points increased by 40.45 points or 0.92% from the previous week. Total turnover reached at Tk13,028.94m which was 20.74% higher than the previous week. Market capitalization increased by 0.68% and stood at Tk3,408.11b (\$33.01b) at the weekend against Tk3,384.93b. DSE 30 decreased by 2.83 points or 0.19% and closed at 1,506.13 points against 1,508.95 points. Last week's weighted average Market PE was 11.84 which was 11.46 previous week.

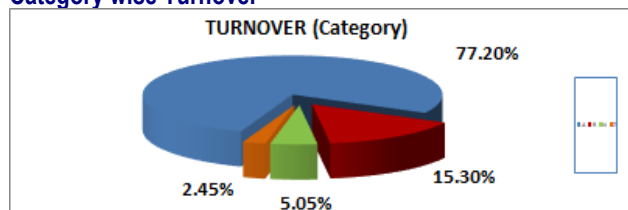
### Top Turnover Companies

Company	Volume	Value (Tk)	% of total
Khulna Power Co. Ltd.	12,171,415	585,173,000	4.49
Standard Ceramic Ind.	481,886	333,959,000	2.56
BRAC Bank Ltd.	5,523,441	301,522,000	2.31
Square Pharma	1,300,539	246,083,000	1.89
Beacon Pharma.	5,244,067	237,472,000	1.82
LafargeHolcim	6,622,392	235,422,000	1.81

### Top 10 Market Capital

Company	Value (Tk)	In million
GP	382,000	BERGERPBL 64,581
BATBC	177,120	BRAC Bank Ltd. 64,506
Square Pharma	159,561	ICB 60,475
United Power	133,857	MARICO 52,375
RENATA	88,235	LafargeHolcim 42,622

### Category wise Turnover



### Commodity Price

	This Week	Last Week	Change %
Gold (USD/t oz.)	1,552.19	1,510.70	2.75
Silver (USD/t oz.)	18.15	17.91	1.33
Brent Crude Oil (USD/bbl.)	68.60	68.16	0.65

### Exchange Rate

	This Week		Last Week		Change %	
	TT	BC	TT	BC	TT	BC
USD	84.90	84.95	84.90	84.95	0.00	0.00
EUR	95.24	95.30	94.63	94.69	0.64	0.64
GBP	111.40	111.47	110.53	110.59	0.79	0.79
AUD	59.33	59.36	59.11	59.15	0.36	0.36
JPY	0.79	0.79	0.78	0.78	1.34	1.35
CAD	65.65	65.69	64.88	64.92	1.18	1.18
SAR	22.74	22.76	22.74	22.75	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)
ADN Telecom Limited	Nov 04 - Nov 11, 2019	27	570