GREEN DELTA CAPITAL

MONTHLY NEWSLETTER | January 2019

Business | Economy | Capital Market

GREEN DELTA CAPITAL

Since inception, Green Delta Capital Limited has slowly emerged as one of the front line investment banks in the country. GDCL started with the idea to support the economy with the necessary financial products and service that would help the business community to achieve their desired state. At GDCL the aim is to connect the local business hub with the global financial network that would enable the entrepreneurs to extract necessary assistance from the influx of global financial service available.

With this view, Green Delta Capital Limited has developed its network of global association with some of the leading global investment banks to service the local business house with the global facilities. Our tailor made solution gives our client the right kind of platform which they require for their business. Be it raising fund from the capital market, through private equity or any other form, GDCL has the right kind of tailor made solution for all types of investments with it diversified product portfolio.

PRODUCTS & SERVICES

- ⇒ **Structured Finance and Corporate Investment Banking**
- ⇒ **Corporate Advisory**
- ⇒ **Portfolio Management**
- ⇒ **Wealth Management**
- ⇒ **Public Private Partnership (PPP) Financing**
- ⇒ **Equity Origination**
- ⇒ **Merger & Acquisition (M&A)**
- ⇒ **Private Equity**

Achievement & Portfolio till December, 2018

Raised through Structured Finance Deal

USD 746+ M

Total Capital Raised Through Equity Origination

USD 83+ M

Total Corporate Advisory

USD 829+ M

This report provides information based on the data collected and analyzed by the GDCL Research Team. DATA collected from all available sources i.e. Bangladesh Bank, Dhaka Stock Exchange, Export Promotion Bureau and Bangladesh Bureau of Statistics.

This report pays particular attention to the movements that took place in the economy and capital market. In addition, it highlights the key indicators briefly for the convenience of the readers while offering the data tables in the later part of the report. Moreover, this report also tries to give a performance review of the mutual funds at the end of it.

January, 2019

Monthly Newsletter

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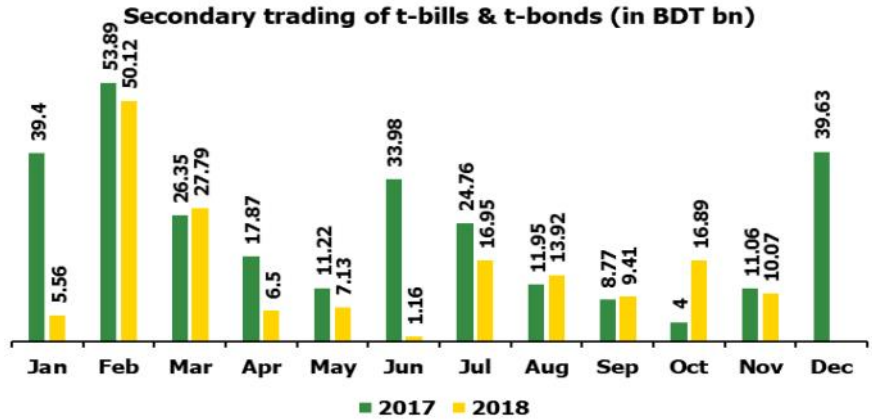
Mutual Fund

NEWS HIGHLIGHTS — January,2019

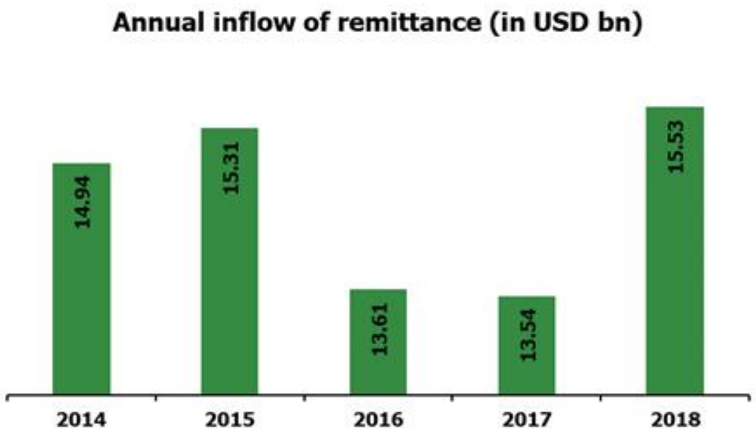
Secondary trading of treasury bills, bonds dips sharply

Secondary trading of the government's fixed income securities declined drastically in the outgoing calendar year 2018, according to the latest statistics of the central bank. It showed that the value of the secondary trading of treasury bills and treasury bonds fell to Tk 120.40 billion in January-November period of 2018 which was Tk 243.27 billion in the same period of 2017. Data of December 2018 is yet to be available. Nevertheless, it is clear from the 11 months data that secondary transaction of government's tradable securities declined sharply. The total amount of the secondary transactions of these securities was Tk 282.91 billion in the past year. The amount was Tk 514.08 billion in 2016. Treasury bills and bonds are short-term and long-term fixed income government securities and also tradable in the financial market.



Remittance flow up 15pc in 2018

Inward remittance jumped by nearly 15 per cent or around $2.0 billion in calendar year 2018 following the depreciating mode of taka against dollar, officials said. Remittance inflows rose to $15.53 billion in 2018 from $13.54 billion a year ago 2017 despite a falling trend in outbound jobs of Bangladeshis. "The uptrend in fuel oil prices globally also contributed to raise the inflow of remittance, particularly from the Middle-Eastern countries," said a senior official of the central bank. The Bangladesh Bank (BB) as well as the government is working continuously to expedite remittance inflows from different parts of the world, he told. The money sent home by Bangladeshis working abroad amounted to $1.20 billion in December 2018, up by $24.57 million from the November level, according to the BB's latest statistics. Remittance stood at $1.18 billion last November. It was $1.17 billion in December 2017.



FDI inflow sees uptrend

The inflow of foreign direct investment (FDI) in the first ten months of the outgoing year, 2018, witnessed a moderate rise as was indicated initially. The full data of FDI is available for the first half (January-June) of the year while primary estimation is available for the next four months (July-October). The latest statistics on the balance of payments (BoP) showed that net FDI inflow declined by around 8.0 per cent during the July-October period to $440 million. It was $475 in the corresponding period last year 2017. Meanwhile, gross FDI inflow rose by around 39 per cent to $960 million from July to October of 2018. The amount was $693 million in the same period in 2017. Again, the central bank survey data showed that net FDI inflow in the first half of the outgoing year stood at $1415.97 billion.

Pvt sector credit growth hits 3-yr low in Nov

Private sector credit growth dropped to a three-year low in November, 2018 due to businesses' reluctance to take loans from banks ahead of national polls and banks' cautious approach to loan distribution. The 11th parliamentary polls were held in the country on December 30, 2018. In November, 2018, private sector credit growth slowed down to 14.01 per cent, the lowest after the 13.72-per cent growth in November, 2015. The growth in November last year was 2.79 percentage points less than the central bank's target of 16.8 per cent for the first half of the current fiscal year of 2018-2019. In November, 2017, private sector growth was 19.06 per cent, 5.05 percentage points higher than the growth rate in November, 2018. Bank officials said the businesses might have opted to go slow in expanding their business by taking credit from the banks.

Export earnings mark 14.42pc rise in first half of FY19

Export earnings from merchandise shipments during the first half of the current fiscal year (FY19) marked a 14.42 per cent rise than that of the corresponding period of the FY18. The earning from shipment of merchandise from July to December of FY19 stands at $20.49 billion, which was $17.91 billion during the same period of FY 18, says official data. The export earnings during the first half of current fiscal overtook the target by 9.13 per cent, according to according to the Export Promotion Bureau (EPB) data released on January 3, 2019. The single month's earnings in December 2018 grew by 2.18 per cent to $3.42 billion, which was $3.35 billion in the same month of the previous year 2018.

NEWS HIGHLIGHTS — January,2019

Loan rescheduling soars 30pc

Loan rescheduling soared about 30 percent to Tk 10,963 crore in the first nine months of 2018, fuelling further fears for the sector. Six banks accounted for 62 percent of the total rescheduled loans between January and September last year 2018, according to data from the Bangladesh Bank. Between 2012 and 2017, banks rescheduled loans amounting to Tk 89,515 crore. The rise in loan rescheduling in recent times has created extra pressure on the banking sector, analysts said. Bankers should change their mindset as many of them have offered loans to clients without verifying their actual business condition.

62% Rescheduled by 6 banks (in BDT bn)	
Islami Bank Bangladesh Limited	24.79
Sonali Bank Limited	16.42
Janata Bank Limited	8.34
Pubali Bank Limited	7.10
Trust bank Limited	5.91
Mercantile bank Limited	5.73

Japanese firm to invest $10m in Meghna economic zone

Japanese Sakata Inx is set to invest $10 million to establish a liquid ink manufacturing plant in the Meghna Industrial Economic Zone (MIEZ), a development that can reduce the country's import dependency of the product. At present, the packaging industry imports liquid ink worth about Tk 2,200 crore a year, according to executive chairman of Bangladesh Economic Zones Authority. "This investment will help in cutting down imports and saving foreign currency," he added. The Osaka-based company is one of the leading printing ink manufacturers in the world and will be investing in the Bangladesh venture through its Indian subsidiary. The company, which signed the land lease agreement with the MIEZ, is aiming to go for commercial operations within 18 months, said chairman of Sakata Inx (Bangladesh).

Country's tax-GDP ratio not commensurate with state of development

The country's tax-GDP ratio continues to miss its target despite a fast-expanding economy. Policymakers and analysts across the globe use the tax-to-GDP ratio to compare tax receipts year on year. In most cases, they believe, taxes are related to economic activity. The ratio should stay relatively consistent. As the GDP grows, tax revenue should increase as well. This inconsistent development of the key macroeconomic indicator came at the yearly "Fiscal Update" prepared by finance division under finance ministry. It shows the tax-GDP ratio in the year that ended on June 30, 2018 was just 9.27 per cent, down by 2.28 percentage point from its original estimate. And it was also down by 1.06 percentage point from the revised target of the same fiscal year (FY). However, FY 2018's tax-GDP ratio was slightly higher than previous year by approximately 0.3 percentage point. Looking back to FY 2017, the ratio also fell by 1.64 percentage point from the original estimate to 9.0 per cent.

Textile has room for Tk 50,000cr investment

Bangladesh has the scope to invest a fresh Tk 50,000 crore in the primary textile sector (PTS) over the next five years (2019-2024) as the demand for locally made fabrics has been rising in both the domestic and international markets. The government should supply energy and industrial land at a reasonable price so that the spinners and weavers feel encouraged to invest in the sector, said president of Bangladesh Textile Mills Association (BTMA). Currently, the local spinners can supply 85 percent of the raw materials to the export-oriented knitwear sector and 35 to 40 percent to the woven sector. "So, Bangladesh has the opening for fresh investment in woven fabrics production he said at a press conference at the BTMA office in Dhaka yesterday to announce the 16th Dhaka International Textile and Garment Machinery Exhibition (DTG) 2019.

Bangladesh economy 41st largest in 2019: Study

Bangladesh is the 41st largest economy in the world in 2019, according to a UK-based think tank. It is up by twp steps from last year 2018, when the country was ranked 43rd largest economy, the Centre for Economics and Business Research (CEBR) said in a report. The report forecast that Bangladesh would emerge as 36th largest economy in 2023, 27th in 2028 and 24th in 2033. "We expect annual rates of GDP growth (in Bangladesh) to average 7.0% between 2018 and 2033. This will see the country climb 19 places in the World Economic League Table to become the world's 24th largest economy by 2033," said the CEBR in its 10th edition report published in London in December last year 2018.

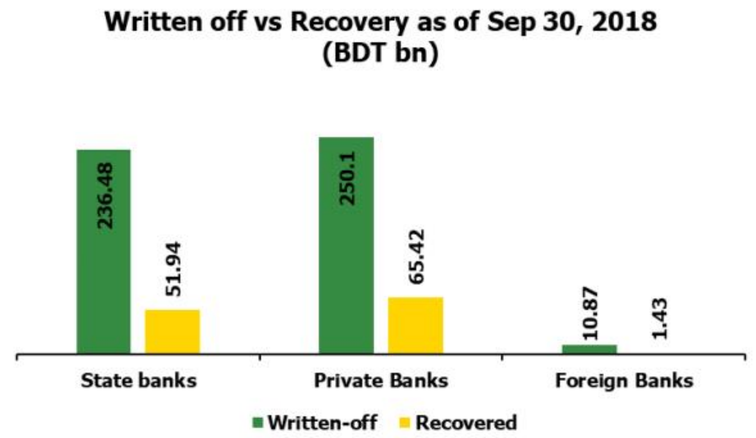
NEWS HIGHLIGHTS — January,2019

Recovery slow for feeble efforts

Banks have been able to recover less than a fourth of their written off loans in the last 15 years because of half-hearted effort on their part. Introduced in January 2003 with a view to putting the brakes on rising default loans, the Bangladesh Bank's write-off policy has allowed banks to clean up their balance sheets artificially. But the initiative failed to bring any good for banks due to their lacklustre efforts to recover non-performing loans from defaulters, said a former BB governor. Between January 2003 and September 2018, banks wrote off Tk 49,745 crore. As of September, Tk 37,866 crore, which is 76 percent of the sum, remained outstanding, according to data from the central bank. Default and written-off loans together stood at Tk 137,236 crore as of September 30, 2018.

BB extends deferred payment facility for unprocessed yarn import

Bangladesh Bank on January 09, 2019 extended policy facility for the import of unprocessed yarn to facilitate backward linkage industries by enhancing the deferred payment facility. At present, industrial raw materials can be imported on six months' deferred payment for the importers' own use as per the buyer's credit facility outlined in paragraph 33(b) of the Guidelines on Foreign Exchange Transaction. The central bank, however, issued a circular extending the deferred payment facility to 270 days or nine months from 180 days or six months for only the import of unprocessed yarn. The facility would be applicable for the industrial importers which produce outputs for the local delivery against back to back LCs, the BB circular mentioned.

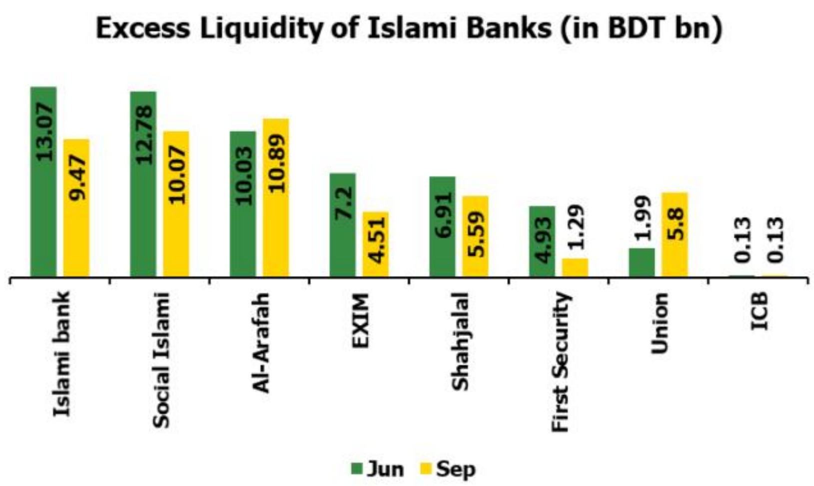


WB revises GDP growth forecast to 7.0pc

The World Bank (WB) has projected a 7.0 per cent economic growth for Bangladesh in fiscal year (FY) 2018-19. The WB has also forecast a 6.8 per cent GDP (gross domestic product) growth for the country in FY 2019-20 and FY 2020-21 each. The global lender made the projections in its 'Global Economic Prospects (GEP)' of January 2019. In its GEP of June 2018, the WB projected a 6.7 per cent GDP growth in FY 2018-19 for the country. In Bangladesh, robust economic activity is expected to be sustained, the WB said in its GEP. "GDP growth is forecast at 7.0 per cent in FY2018-19 and is expected to decelerate only slightly over the forecast horizon," it added. Activity will be supported by strong private consumption and investment on the back of infrastructure projects, it pointed out.

Islamic banks' excess liquidity shrivels

Shariah-based banks saw a sharp fall in excess liquidity in the third quarter of last year 2018 because of aggressive investment to the point of violating the ceiling set by the central bank. Between the months of July and September the excess liquidity of the Islamic banking industry shrank 19.54 percent to Tk 5,202 crore from the previous three months, according to data from the Bangladesh Bank. The loan-deposit ratio surged to 97 percent during the quarter, which is way above the authorised limit of 90 percent. Of the eight full-fledged Islamic banks five had lent breaching the ceiling. The eight banks are Islami Bank Bangladesh, Exim, First Security, Al-Arafah, ICB Islamic, Social Islami, Shahjalal Islami and Union bank.



NEWS HIGHLIGHTS — January,2019

Govt's NSC sale reaches 83pc of annual target in five months

The government in just five months (July-November) collected Tk 21,661.93 crore from the sales of national savings certificates, which is 82.69 per cent of its target of collection for the entire fiscal year (2018-2019). In the budget for FY19, the government set the target at Tk 26,197 crore. In July-November of FY19, NSC sales increased by 2.31 per cent or Tk 489.86 crore compared with that of Tk 21,172.07 crore in the same period of the previous fiscal year, according to the latest Directorate of National Savings data. DNS officials said people rushed for the NSCs as the instruments offered higher interest rates than the bank products. The rates offered by the NSCs are between 11.04 per cent and 11.76 per cent. Most of the banks offer 4-6 per cent interest rate against their deposit products with a view to reducing lending rate to facilitate investment following an initiative from the government high ups.

Budget shows surplus in four months despite lower revenue

The current budget recorded a Tk 24.07 billion surplus during the four months to October 2018, though tax receipts are less-than-expected, the ministry of finance said. Revenue income of the National Board of Revenue (NBR) amounted to Tk 200 billion up to November 2018, falling short of the target by around 22 per cent, according to the tax authorities. The government sustained a budget deficit of nearly Tk 800 million during the corresponding period of the last fiscal year 2017-18. Meanwhile, many believe that the bigger-than-expected surplus until October has little to affect the longer-term trend in budget financing. "If you look at the immediate past budget financing you get a picture of big deficit at the end of the fiscal year," said a finance official. The deficit for the fiscal year 2017-18, which ended in June 2018, was Tk 873.71 billion.

Govt borrowing shoots up amid sluggish revenue

The government has continued to borrow heavily both from the central bank and lenders to make up the gap in spending and income thanks to its sluggishness of revenue collection. In the first 13 days of the year (1 to 13 January 2019), the government borrowed Tk 3,901 crore from the central bank, according to data from the Bangladesh Bank. Between the months of November and December last year, 2018 the government borrowed a total of Tk 8,092 crore from commercial banks. The government has also set a net borrowing target of Tk 2,358 crore from commercial banks on January 2019. In the first four months of fiscal 2018-19, the government borrowed only Tk 1,373 crore from banks. The implementation of ongoing mega infrastructural projects and adjustment of the post polls expenditures have also forced the government to take loans from banks, said economists.

ADP spending rises in Dec

Development spending picked up in December, 2018 amid the fervour surrounding parliamentary polls on December 30 after being on the slow lane in the first four months of fiscal 2018-19. A planning ministry official said, actually the finance and the planning ministries took some measures from the start of the current fiscal year 2018-19 to boost ADP implementation, which started to come into effect from November,2019. The official said the political leadership was busy with electioneering but the government machinery involved with development administration did their job properly for increasing development spending. In December, 2018 Tk 13,207 crore was spent from the annual development programme (ADP), which was Tk 12,623 crore in November, 2018. This is in contrast to the Tk 6,216 crore spent on average by the ministries and divisions in the previous four months of fiscal 2018-19.

At a Glance

- Govt. borrowed BDT 39.01 bn from BB in less than a month
- In Nov-Dec 2018, govt. also took BDT 80.92 bn from commercial lenders
- Borrowing target from commercial banks in Jan 2019 BDT 23.58 bn
- Govt. borrowed BDT 56.66 last fiscal year 2017-18;no borrowing in the previous year
- Borrowing from BB may fuel inflation

Second LNG terminal to start operations in March

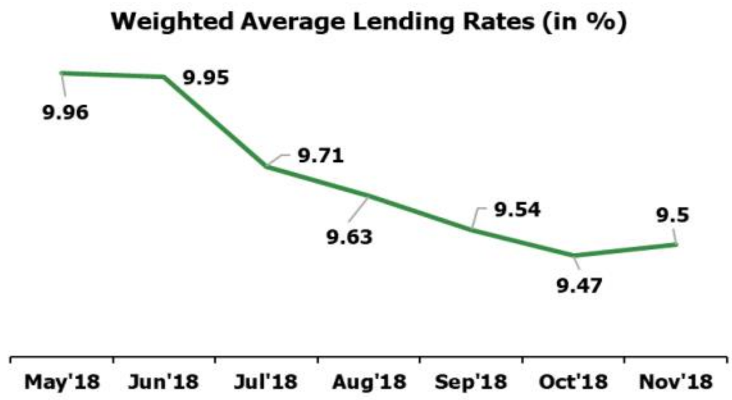
Bangladesh's second liquefied natural gas (LNG) terminal is expected to start operations in mid-March, 2019 though domestic pipeline constraints mean it will be unable to fully supply gas demand to the country's capital Dhaka. Summit Corp, a subsidiary of Bangladesh's Summit Holdings, and partner Mitsubishi Corp are expected to start operations at their floating storage and regasification unit (FSRU) off the country's coast by the middle of March, 2019 and ahead of schedule, a source familiar with the matter told. A Summit Corp spokeswoman confirmed in an emailed response that the Summit LNG terminal is on schedule, but did not elaborate. However, construction delays on a pipeline that will carry regasifed gas from the coastal city of Chattogram, near where the FSRU will be anchored, to Dhaka means that the vessel will not be fully utilised, the source said. Until the pipeline is fully connected, the FSRU will handle about 300 million cubic feet per day (mmcfd) of gas which will be supplied to the Chattogram area, the source said. The ship can regasify up to 500 mmcfd of LNG, according to Summit's website.

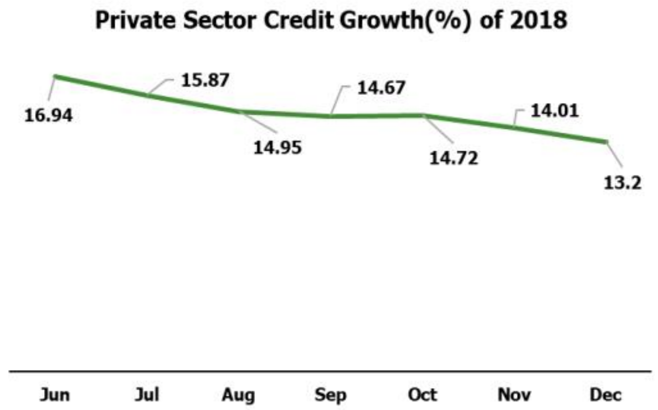
GREEN DELTA CAPITAL

NEWS HIGHLIGHTS — January,2019

Lending rates edging up

The interest rate on lending is on the rise amid high import pressure and hunt for deposits at the end of last year, 2018. In November, 2018 the weighted average interest rate stood at 9.5 percent, up from 9.47 percent the previous month October 2018, according to data from the Bangladesh Bank. Though the average remained within single digits, 28 out of the 40 private banks are lending at double digits. The interest rate on lending will continue its upward trend due to expansion of business activities after the December 30, 2018 election, bankers said.



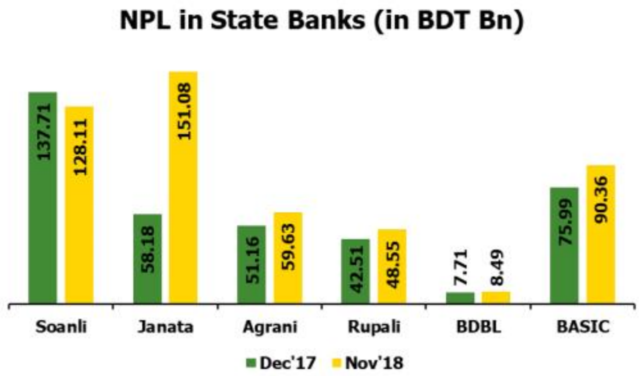


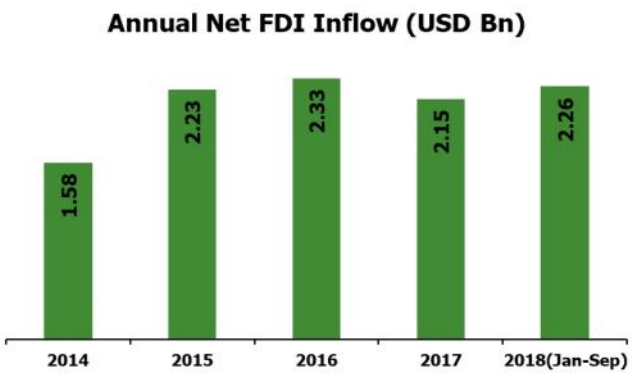
Credit growth hits 39-month low

Private sector credit growth fell to a 39-month low in December,2018 as businesses went on a cautious mode thanks to the mounting uncertainty centring on the 11th general elections. Last month December 2018 credit growth stood at 13.20 percent, the lowest since September 2015, according to data from the Bangladesh Bank. The growth was less than the central bank's target of 16.8 percent for the second half of 2018. Not only businesses, banks too took on a guarded stance about expanding their lending activities, said economists and bankers. Deposit growth has been slow all throughout last year in the absence of a vibrant business environment, said, a former Bangladesh Bank governor.

Banks blame influential quarter for rising bad loans

Habitual and influential defaulters are the main barriers to bringing down delinquent loans in the state-owned commercial banks, according to the assessment of the lenders. In the first 11 months of 2018, classified loans in the six state-run banks -- Sonali, Janata, Agrani, Rupali, Bangladesh Development and BASIC -- escalated by Tk 11,297 crore to Tk 48,623 crore. In its report, Sonali Bank said that 52.33 percent of its outstanding default loans of Tk 12,811 crore were stuck with the top 100 defaulters. The majority of the defaulters are habitual and they have been continuing to show unwillingness to return the depositors' money.





BD FDI flow up despite global decline in 2018

The flow of foreign direct investment (FDI) into the country recorded substantial rise in 2018 with China becoming the top contributor. The development came in contrast to the decline in global inflow of FDI last year 2018, according a report of the UNCTAD. Net inflow of FDI into the country, according to the Bangladesh Bank data, was $2.26 billion during the January-September period of 2018. The figure represented a 51.62 per cent increase in FDI inflow over that of corresponding period of 2017. A total of $1.49 billion FDI flowed into the country during the first nine months of 2017. In fact, the nine-month FDI in 2018 surpassed total FDI worth $2.15 billion in 2017.

China to provide $72.5m grant for welfare projects

China will provide a grant of RMB 500 million or approximately $72.57 million to Bangladesh under an agreement on economic and technical cooperation. Secretary to Economic Relations Division (ERD), and Chinese Ambassador to Bangladesh signed the agreement at Central Procurement Technical Unit January 20, 2019. The grant shall be utilised for welfare projects such as disaster management and bridge construction, according to an ERD statement. Detailed matters would later be stipulated in separate agreements, it said. He said economic relations between Bangladesh and China were gaining greater significance. He urged the Chinese ambassador to take initiatives to quickly implement commitments in the pipeline for Bangladesh's development.

NEWS HIGHLIGHTS — January,2019

Inflation drops slightly in December

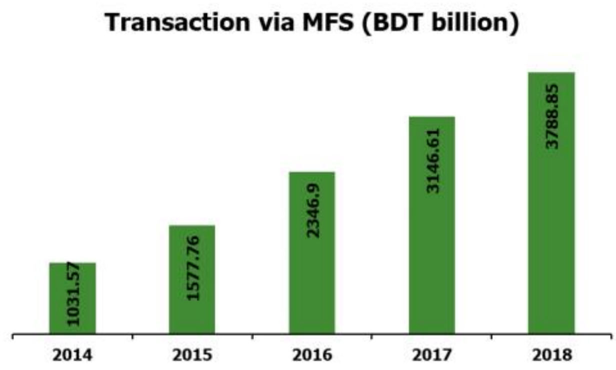
The point-to-point rate has dropped slightly in December, 2018 to 5.35 per cent from 5.37 per cent in the previous month November 2018 owing to the drop in food and non-food inflations. "The general point-to-point inflation rate slightly eased to 5.35 per cent in December last," said Planning Minister on January 22, 2019 while releasing the monthly consumer price index. The new planning minister also said the implementation rate of the Annual Development Programme (ADP) during the first half FY19 (July 2018 -Dec 2018) is higher than the corresponding period of the previous fiscal 2017-18. In FY19 implementation rate was 27.45 per cent with an overall expenditure of Tk 496.45 billion while in FY18 it was 27.02 per cent with an overall expenditure of Tk 443.31 billion.

ECNEC approves eight projects worth Tk 18.93b

The Executive Committee of the National Economic Council (ECNEC) on January 22, 2019 approved eight projects involving an estimated cost of over Tk 18.93 billion. The approval came from the first ECNEC meeting of the newly formed government held at the NEC Conference Room in the city with its Chairperson and Prime Minister in the chair. Briefing reporters after the meeting, Planning Minister said, "A total of eight projects were approved in the today's (January 22, 2019) meeting." The entire fund will come from the national exchequer, UNB reported. Of the projects, seven are new while the remaining one is revised project.

MFS reach widens

Transactions through mobile financial services (MFS) grew 20.41 percent year-on-year to Tk 378,885 crore in 2018 thanks to the rising acceptance of digital payments by private and public entities. By the end of December 2018, the number of active accounts availing the service also grew by about 77.68 percent to 3.73 crore compared to what was at the start of the year, according to a report of Bangladesh Bank. The BB has been collecting data on MFS from 2014 and that year about Tk 103,157 crore was transacted through the channel. It was Tk 157,776 crore in 2015 and Tk 234,690 crore in 2016.



Farmers Bank renamed Padma Bank

Farmers Bank has been renamed as Padma Bank as the troubled lender looks to sweep the gross irregularities and loan scams under the carpet and get an image makeover. The central bank issued a circular on January 29, 2019 allowing the scam-hit bank to change its previous name on grounds that it would have a positive impact on client confidence. The bank, which was established in 2013, became a hotbed for financial irregularities in less than three years of operation. More than Tk 3,500 crore was siphoned out from the bank, according to the Bangladesh Bank. As of September of 2018, default loans stood at Tk 3,071 crore at the private commercial bank, up from Tk 723 crore in 2017.

$100b garment export possible by 2024

Bangladesh will be able to export $100 billion worth of garment items by 2024 as the international apparel retailers are placing an increasing number of work orders, said Commerce Minister. "By 2021, when Bangladesh will also celebrate its 50th anniversary, we will be able to export garment items worth $50 billion." Last fiscal year,2017-18 garment shipments fetched $30.61 billion, according to data from the Export Promotion Bureau. His comments came at the inauguration of the 15th Dhaka International Yarn and Fabrics Show at the International Convention City, Bashundhara in Dhaka. "

Core inflation up 1.0pc in 2018

The country's core inflation rose by more than 1.0 percentage point last year, 2018 posing a challenge for the next monetary policy of the central bank, officials said. The core inflation expanded to 4.65 per cent on annual average basis in December last from 3.59 per cent in January 2018, according to the latest report of Bangladesh Bank (BB). The figure was 3.94 per cent in July 2018. "Of course, we are seeing this upward trend of core inflation as a challenge for the next monetary policy statement (MPS)," a senior BB official told while replying to a query. Currently, the central bank is measuring the core inflation, excluding food and fuel components from the consumer price index (CPI).

Bangladesh 7 places up in economic freedom

Bangladesh has moved seven notches up in a global index of economic freedom making its economy the 121st freest among 180 countries. According to the report titled 2019 Index of Economic Freedom prepared by US-based the Heritage Foundation, Bangladesh's economic freedom score is 55.6, up by 0.5 points from 2018 when it was ranked 128th with overall score at 55.1 points. The country's overall score increased with higher scores on factors including property rights and government integrity countering declines in investment freedom and fiscal health. Bangladesh falls under the category of mostly unfree in terms of economic freedom despite the progress in the year. Bangladesh is ranked 27th among 43 countries in the Asia Pacific region, and its overall score is below the regional and world averages of 60.6 and 60.8 points respectively.

BUSINESS & ECONOMY

MACRO HIGHLIGHTS

USD Bn	
Export	3.42
Import	5.08

December’18

General	5.35
Food	5.28
Non Food	5.45

December’18

Reserve

$ 32.02 Billion

December,18

WA Interest Rates

Deposit	5.26
Advances	9.49
Spread	4.23

December,18

Exchange Rate

USD/BDT = 83.95

January’19

Remittances

$1590.82 Million

January’19

FDI

USD Million

FDI Inflows	849.62
Equity	267.47

July-September (2018-19)

BOP

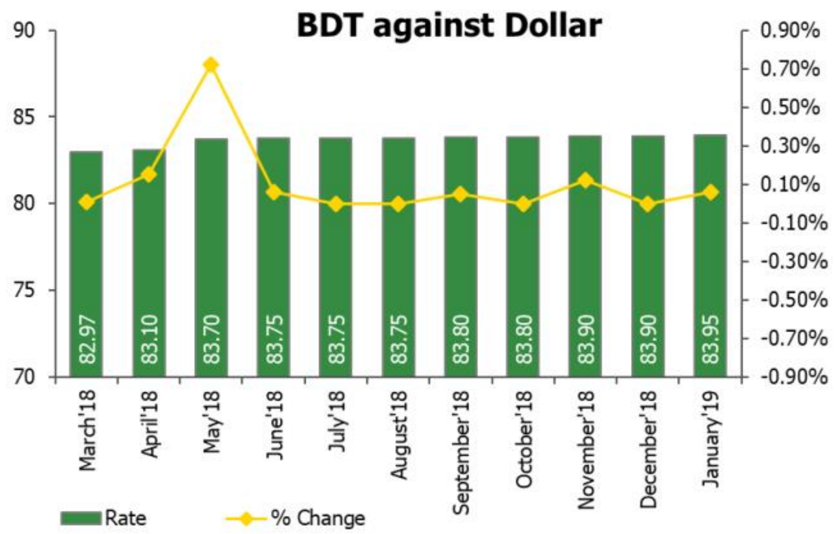
USD Million

Current A/C	-3082
Capital A/C	134

July-Dec(FY 18-19)

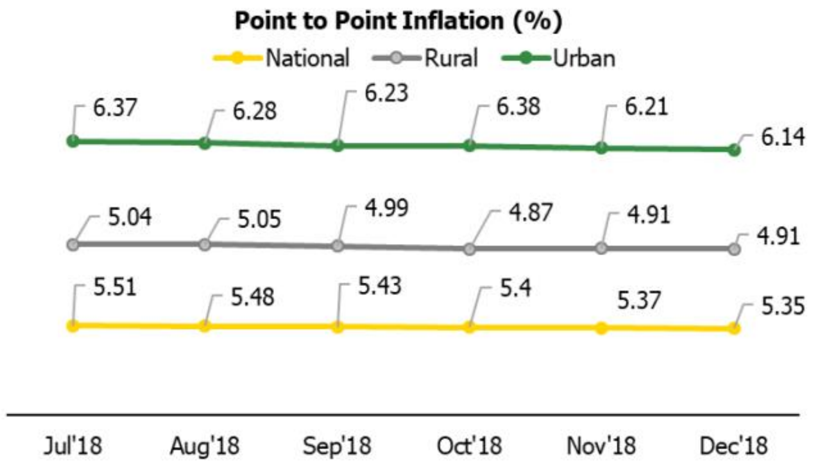
MACRO STATISTICS

BDT MOVEMENTS AGAINST DOLLAR

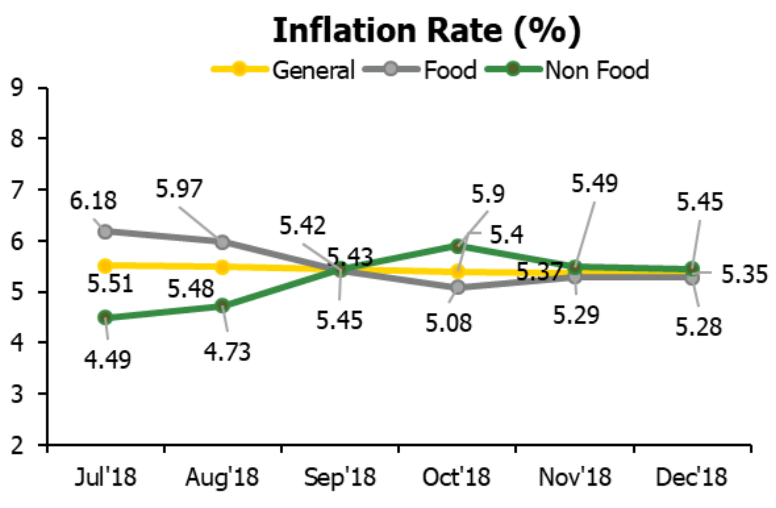


Source: Bangladesh Bank

MONTHLY INFLATION RATE



Source: Bangladesh Bureau of Statistics



Source: Bangladesh Bureau of Statistics

MONTHLY INFLATION RATE

	Twelve Month Avg. Basis						Point to Point Basis					
	General		Food		Non Food		General		Food		Non Food	
2017-18												
June	245.22	5.78	266.64	7.13	217.76	3.74	246.82	5.54	265.33	5.98	223.09	4.87
2018-19												
July	246.31	5.78	267.95	7.06	218.57	3.82	249.65	5.51	269.91	6.18	223.66	4.49
August	247.41	5.74	269.24	6.95	219.41	3.90	253.07	5.48	275.09	5.97	224.84	4.73
August	247.41	5.74	269.24	6.95	219.41	3.90	253.07	5.48	275.09	5.97	224.84	4.73
September	248.51	5.68	270.45	6.74	220.39	4.07	257.62	5.43	281.86	5.42	226.54	5.45
October	249.62	5.63	271.59	6.52	221.45	4.26	259.13	5.4	283.44	5.08	227.96	5.9
November	250.71	5.58	271.94	6.04	222.44	4.38	258	5.37	281.24	5.29	228.21	5.49
December	251.81	5.54	273.94	6.21	223.42	4.51	258.13	5.35	281.17	5.28	228.60	5.45

**Source: BB*

T-Bills Rate

	Treasury Bills			BGTB					BB BILL	Repo	R. Repo
	91 Days	182 Days	364 Days	2 -Year	5-Year	10-Year	15-Year	20-Year	30-Day	1-3 Day	1-3 Day
2017-2018											
June	3.67	4.2	4.27	4.71	5.98	7.41	7.99	8.82	—	6	4.75
2018-2019											
July	3.99	4.21	4.42	4.94	5.55	6.97	7.34	8.04	—	6	4.75
August	0.92	—	—	3.37	4	—	—	—	—	6	4.75
September	2.23	3.41	3.54	4.07	5.34	6.95	7.09	7.94	—	6	4.75
October	1.13	—	2.78	—	—	—	—	—	—	6	4.75
November	0.69	1.29	2.46	3.5	4.33	6.94	7.42	8.13	—	6	4.75
December	2.18	2.96	3.4	4.33	5.35	7.53	7.69	8.42	—	6	4.75
January	2.88	3.17	4.3	4.81	5.79	7.59	7.67	8.43	—	6	4.75

Call Money Rate

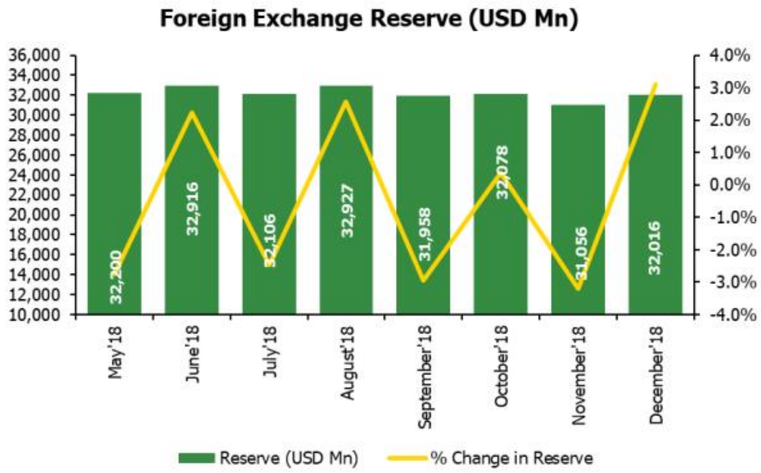
End of period	Bank rate	Call money market's weighted average interest rates on		Schedule banks' weighted average interest rates on		
		Borrowing	Lending	Deposits	Advances	Spread
2018						
March	5	4.40	4.40	5.30	9.70	4.40
April	5	4.31	4.31	5.43	9.89	4.46
May	5	2.96	2.96	5.51	9.96	4.45
June	5	3.41	3.41	5.50	9.95	4.45
July	5	2.17	2.17	5.40	9.71	4.31
August	5	3.31	3.31	5.36	9.63	4.27
September	5	4.22	4.22	5.27	9.54	4.27
October	5	3.65	3.65	5.25	9.47	4.22
November	5	3.50	3.50	5.30	9.50	4.20
December	5	4.09	4.09	5.26	9.49	4.23

Including all Government Banks *Source: Bangladesh Bank

Foreign Exchange Reserve

	Month	FY 17– 18	% Change
Outstanding Stock at the end of the month	May	32,200	-2.7%
	June	32,916	2.2%
	Month	**FY 18– 19**	**% Change**
	July	32,105	-2.5%
	August	32,926	2.6%
	September	31,958	-2.9%
	October'18	32,078	0.4%
	November'18	31,056	-3.2%
	December'18	32,016	3.1%

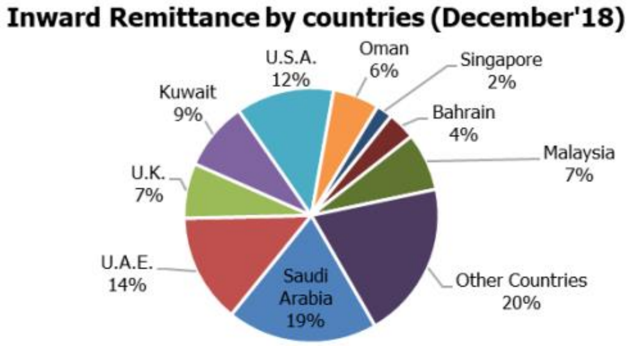
*Source: Bangladesh Bank

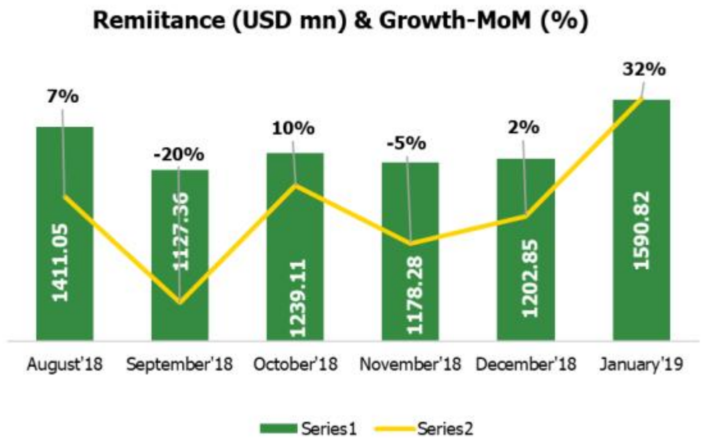


Remittance

Month	2018-19 (USD mn)	% Change
September'18	1127.36	-20%
October'18	1239.11	10%
November'18	1178.28	-5%
December'18	1202.85	2%
January'19	1590.82	32%

*Source: Bangladesh Bank



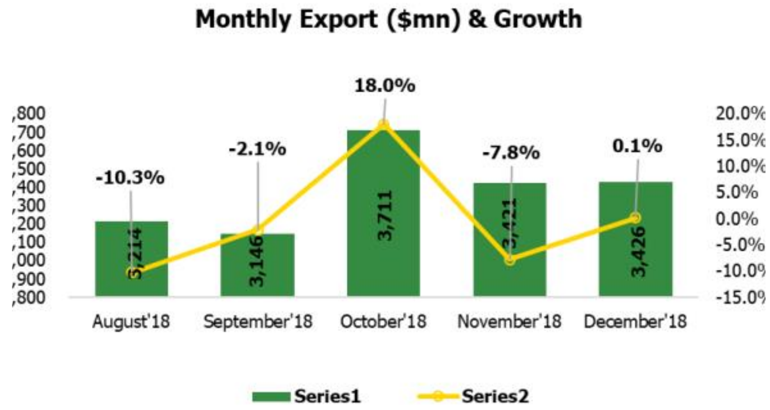


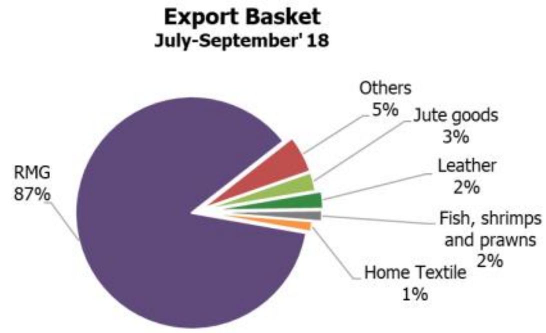
Foreign Direct Investment

Period	FY-16-17 (USD mn)			FY-17-18 (USD mn)			FY-18-19 (USD mn)	
	Jul-Dec	Jan-Jun	Total	Jul-Dec	Jan -Jun	Total	Jul-Sep	Total
FDI inflows	1467.72	987.09	**2454.81**	1164.47	1415.97	**2580.44**	849.62	**849.62**
Equity Capital	744.7	262.04	**1006.74**	276.86	337.9	**614.76**	267.47	**267.47**
Reinvested earnings	610.03	642.97	**1253**	636.45	616.99	**1253.44**	311.28	**311.28**
Intra-company Loans	112.99	82.08	**195.07**	251.16	461.08	**712.24**	270.87	**270.87**

*Source: Bangladesh Bank

Export





Import

	Import payments (c&f)			Import Lcs settlement			Import Lcs Opened		
Month	**2017-18P**	**2016-17**	**% Change**	**2017-18P**	**2016-17**	**% Change**	**2017-18P**	**2016-17**	**% Change**
April	5453.40	4170.50	31%	4590.19	3738.15	23%	4770.68	4297.71	11%
May	5597.30	4352.00	29%	4788.25	3624.66	32%	4676.62	4150.92	13%
June	4257.20	3499.10	21%	3744.41	3274.28	14%	4016.51	4007.21	0.23%
Month	**2018-19P**	**2017-18**	**% Change**	**2018-19P**	**2017-18**	**% Change**	**2018-19P**	**2017-18**	**% Change**
July	5079.10	4325.60	17%	4686.46	4046.06	16%	5065.09	4709.68	8%
August	4458.90	4701.20	-5%	3837.80	3994.93	-4%	4952.94	5422.31	-9%
September	5160.20	4157.70	24%	4307.33	3785.62	14%	4736.59	4571.17	4%
October	5546.70	5342.10	4%	4811.93	4368.49	10%	4755.92	4681.94	2%
November	5081.6	5222.2	-3%	4902.14	4397.00	11%	5170.86	16365.97	-68%

*Source: Bangladesh Bank

Balance of Payment

Particulars	2018-19P July-Nov	2018-19P July-Dec	% changes over last period
Trade balance	-6659	-7660	
Exports f.o.b(including EPZ)	16773	20163	40.35%
Imports f.o.b(including EPZ)	23432	27823	26.62%

GREEN DELTA CAPITAL

PRODUCTION OF MAJOR INDUSTRIAL COMMODITIES

Period	Cotton Yarn '000' Bales	Cotton Cloth '000' Metres	Paper Metric Tons	Ciga-rettes Lac Sticks	Oil Products Metric Tons	Food Prod-ucts Metric Tons	Sugar Metric Tons	Fertilizers Metric Tons	Glass Sheets 000' sq. Metres	Matches '000' Gross Box
2016-17										
February	67	3935	257	15160	51701	27132	7718	119983	71	1945
March	71	3752	348	16900	68297	38345	0	135317	127	1950
2017-18										
July	66	3393	458	10340	75622	34819	0	90861	56	2018
August	69	3408	528	11430	76230	35752	0	114660	34	2047
Septem-ber	79	3210	448	12410	74594	39204	0	99485	38	2035
October	80	3507	340	14200	86510	42605	—	95216	163	2062
Novem-ber	80	3526	467	12290	93426	39808	2859	115970	178	2092
December	81	3681	—	11860	84730	33130	18602	113315	178	2122
January	82	3577	93	15720	83102	41948	29783	99236	178	2160
February	78	4059	21	11240	79675	35614	15576	47825	161	2112
March	80	3601	333	15210	82576	30679	1783	76839	170	2416
April	81	3693	323	14200	82780	31659		46141	172	2480
May	78	3128	31	14500	112134	22716		9282	169	2461
June	78	3664	140	13200	69979	20582		5135	132	1119
2018-19										
July	78	3459	352	10350	72947	24031		27395	115	2653
August	78	3531	530	11440	74491	25880		28643	129	2682

GREEN DELTA CAPITAL

World Economic Outlook

	Averages					Projections Averages		
	1996 -2003	2004 - 11	2012	2013	2014	2015	2012 - 15	2016 - 19
Annual Percent Change(Δ%)								
World Real GDP	3.5	4	3.2	3	3.6	3.9	3.4	3.9
Advanced Economies	2.8	1.6	1.4	1.3	2.2	2.3	1.8	2.3
Emerging Market and Developing Economies	4.6	6.8	5	4.7	4.9	5.3	5	5.4
World Trade, Volume	6.1	5.6	2.8	3	4.3	5.3	3.9	5.7
Imports								
Advanced Economies	6.1	4	1.1	1.4	3.5	4.5	2.6	5.3
Emerging Market and Developing Economies	6.5	9.6	5.8	5.6	5.2	6.3	5.7	6.3
Exports								
Advanced Economies	5.5	4.8	2.1	2.3	4.2	4.8	3.4	5.3
Emerging Market and Developing Economies	7.8	7.6	4.2	4.4	5	6.2	4.9	6.2
Terms of Trade								
Advanced Economies	0.1	–0.6	–0.7	0.7	0	–0.2	–0.1	0
Emerging Market and Developing Economies	0.5	2.1	0.6	–0.3	–0.2	–0.7	–0.1	–0.4
Consumer Prices								
Advanced Economies	1.9	2.1	2	1.4	1.5	1.6	1.6	1.9
Emerging Market and Developing Economies	11.1	6.5	6	5.8	5.5	5.2	5.6	4.9
Percent(%)								
Interest Rates								
Real Six-Month LIBOR2	2.7	0.5	–1.1	–1.1	–1.1	–1.0	–1.1	1.3
World Real Long-Term Interest Rate3	3	1.5	0.1	0.8	1	1.5	0.9	2.3
Percentage(%) of GDP								
Balances on Current Account								
Advanced Economies	–0.4	–0.6	–0.1	0.4	0.5	0.4	0.3	0.4
Emerging Market and Developing Economies	0.2	2.8	1.4	0.7	0.8	0.6	0.9	0.3
Total External Debt								
Emerging Market and Developing Economies	36.5	26.9	24.1	24.4	24.4	24.3	24.3	23.7
Debt Service								
Emerging Market and Developing Economies	9.5	8.9	8.3	8.6	8.5	8.5	8.5	8.5

*Source: IMF

CAPITAL MARKET HIGHLIGHTS

CAPITAL MARKET HIGHLIGHTS

	Index			MCAP		VAL
	DSEX	DSE30	DSES	(BDT-bn)	(USD-bn)	(USD-mn)
January'31	5821.01	2007.96	1310.60	4163.60	49.60	118.25
% Δ	8.08%	6.76%	6.3%	7.5%		84.4%
December'27	5385.64	1880.78	1232.82	3872.95	46.13	64.13

Dhaka Stock Exchange witnessed upward trend throughout the month and the prime index DSEX, finished the last day of the month with 435.37 points high at 5821.01 than the last day of previous month. Similarly, DSES, the index for Shariah-based companies and DS30 also followed the trend with 77.78 points high at 1310.60 and 127.18 points high at 2007.96 respectively than the last day of previous month.

The MCAP of DSEX in December increased by 7.52% compare to the previous month. However, almost all the sectors showed upward trend during January.

January 2019	
Months High-Index	5887.3
Months Low-Index	5465.3
High Date	20-Jan-19
Low Date	01-Jan-19

December 2018	
Months High-Index	5465.3
Months Low-Index	5218.0
High Date	05-Dec-18
Low Date	17-Dec-18

GREEN DELTA CAPITAL

NEWS HIGHLIGHTS — January,2019

No fruitful efforts to encourage local big cos to go public

The market cap to GDP (Gross Domestic Product) ratio, which reflects the depth of the capital market, marginally rose in the premier bourse at the end of 2018. But the ratio is still much lower than the ratios of other countries including neighbouring ones. According to information of Dhaka Stock Exchange (DSE), the percentage of the market cap to GDP ratio stood at 17.21 on December 27, 2018. At the end of June, 2018 the ratio was 16.94 per cent in the premier bourse. Market cap is the value of a publicly traded company's outstanding shares at a given time. The market cap to GDP ratio is a measure of the total value of all publicly traded stock in a country, divided by that country's GDP. According to market experts, a low market cap to GDP ratio reflects insufficient depth of the stock market.

12 banks become shareholders of bourses' clearing company

Twelve banks have become shareholders of Central Counterparty Bangladesh Limited, a proposed clearing and settlement company of Dhaka and Chittagong stock exchanges. The company will settle trading activities, which will reduce settlement risk, provide trading anonymity and make the settlement operations more efficient, bourse sources said. The 12 banks are: Mutual Trust Bank, Agrani Bank, Prime Bank, Mercantile Bank, Modhumoti Bank, NRB Bank, National Bank, National Credit and Commerce Bank, NRB Global Bank, Rupali Bank, Social Islami Bank and Standard Bank. The company would allocate 15 per cent of its shares worth Tk 45 crore to the banks — equal number of shares to each bank. Each bank will be allocated 37.50 lakh shares worth Tk 3.75 crore.

Sinobangla moves to raise production capacity

Sinobangla Industries has taken a initiative to enhance its production capacity by about 150 tonnes per month. Two floors of the factory will also be upgraded to have clean room facilities. The total estimated cost of the expansion would be about Tk. 150 million (15 crore), which will be financed with funds partially from its internal source as well as bank loans. The company's board of directors took the decision of increasing production capacity by spending the said amount of fund, a company disclosure said. To achieve additional production, the board decided to procure capital machinery. The machinery is as follows-looms: 20 sets, needle looms: six sets, sewing machine: 35 sets, twisting machine, bale press, air wash machine, loop cutting machine, liner shaping machine, baffle punching machine: one set each, evaporate air cooling system: one unit, fabric cutting machine and shrink wrapping machine: two sets each.

Govt's tax collection from DSE drops by 24.42pc in Jul-Dec

The government's revenue collection from Dhaka Stock Exchange dropped by 24.42 per cent or Tk 34.8 crore in the first half (July-December) of the current financial year (2018-19) compared with that in the same period of the FY 2017-18 due mainly to a bearish trend at the market. National Board of Revenue in July-December of FY19 collected Tk 107.67 crore in tax including tax on turnover and tax on sponsor-directors' share sales against Tk 142.47 crore in the first half of FY18, DSE data showed. The government in the period (July-December) of FY19 received Tk 78.9 crore in tax on turnover and Tk 28.77 crore on sponsor- directors' share sales which was Tk 103.76 crore and Tk 38.71 crore respectively in the same period of FY18. NBR in FY18 received Tk 237.49 crore in tax from DSE against its receipt of Tk 247.76 crore in FY17.

More IPOs needed

There are 61 merchant banks in the country but they were able to collectively bring in only 14 companies in the capital market last year, widening the gap between demand and supply of stocks. This meant it took an average 4.35 merchant banks to introduce one single IPO (initial public offering) in the stockmarket. The 14 companies raised Tk 601 crore in total by offloading shares to the public and institutions, up 141 percent from that the previous year when eight companies raised Tk 249 crore. "We are disappointed with merchant banks' work," said a senior official of the Bangladesh Securities and Exchange Commission (BSEC). He said the BSEC had allowed many merchant banks to operate in order to increase the supply of stocks through the IPOs of shares of different companies.

Western Marine obtains UAE orders for two oil tankers

The Western Marine Shipyard Ltd has secured orders for building two oil tankers for Al Rashid Shipping Ltd, a UAE-based shipping company. The oil tankers will have 6500 DWT (dead weight tonnage) carrying capacity and will cost USD 6.8 million in total. Recently, the UAE shipping company has also handed over an order for one offshore support vessel to the WMShL. A statement of the shipbuilder, the pioneer shipbuilder of the country, said each of the newly-ordered vessels will be 109.65 meter long, 18.00 meter broad and 8.40 meter deep. The vessels will be built under French class BV and the vessels' main engines and other machines will be imported from Japanese and European makers.

BBS Cables to increase 37pc production capacity

The company is planning to start the commercial production from the new machineries from January 12, 2019, said a disclosure posted on the Dhaka Stock Exchange (DSE) website on January 08, 2019. The current installed annual production capacity of the company is 16,600 MT as on June 30, 2018 as a result of installing the new machineries, the annual production will increase by 37 per cent (6,100 MT) that will stand up to 22,700 MT (approx.) annually, the value of which is about Tk 12 billion approximately, said the disclosure.

NEWS HIGHLIGHTS — January,2019

17 companies end up in 'Z' category in two years

A total of 17 listed companies were downgraded to 'Z' category, meant for worst-performing enterprises, in the last two years. They were downgraded from the best- and medium-performing categories for not recommending dividends or not being in operation for more than six months or for non-compliance regarding the annual general meeting (AGM). Of them, eight companies were sent to the 'Z' category in 2017 and nine others in 2018. According to the Dhaka Stock Exchange (DSE) settlement and transactions regulation, a listed company has to declare at least 10 per cent dividend for its shareholders to be traded under the 'A' category. The companies which were sent to 'Z' category in 2018 are Emerald Oil Industries, Tung Hai Knitting & Dyeing, Fareast Finance & Investment, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evince Textiles, Northern Jute Manufacturing Company and GBB Power.

DSE seeks Tk 1.37cr from UK's business fund for poor

Dhaka Stock Exchange, the country's premier bourse, has sought grants from Business Finance for the Poor in Bangladesh, a programme funded by British government, to launch a small capital board at the bourse. The bourse and market regulator Bangladesh Securities and Exchange Commission made the approach of creating a separate board for small-capitalised companies at the stock market as a move for market diversification and vibrancy. To run the separate board, DSE has recently initiated a project proposal named 'Ease of access to equity financing for small and medium enterprise' to promote SMEs for growth and development and subsequently listing with the small capital platform, a senior DSE official said. The bourse has estimated the total cost for the project at Tk 2.74 crore and participated in a competition conducted by BFP-B to get fund. In the programme, it appealed for 50 per cent of the cost, which is Tk 1.37 crore.

Le Méridien issues Tk 1,200cr bond to pay off loans

Best Holdings, the parent company of Le Méridien Dhaka, issued a bond to raise Tk 1,200 crore with a view to paying off its bank loans, which it has been struggling to service despite raking in profits. The company had taken loans amounting to Tk 1,160 crore for the upscale hotel's construction. As of August 31, 2018, Best Holdings owes Tk 838 crore to a total of 13 banks and non-bank financial institutions. Curiously, four of the banks -- United Commercial, Southeast, Trust and NCC -- and one of the non-bank financial institutions (IDLC Finance) that are investing in the bond, which will yield interest of 10 percent over an eight-year period, are owed money by Best Holdings. Best Holdings owes Tk 78.82 crore to UCBL, Tk 145.31 crore to Southeast, Tk 15.44 crore to Trust, Tk 85.70 crore to NCC and Tk 40.73 crore to IDLC Finance.

Enhanced production of local cotton to benefit textile cos

Bangladesh Indenting Agents' Association (BIAA) has made a plea to take required initiative to increase the production of the local cotton so that the growing demand of cotton can be met from the local sources. Cotton is the main raw materials of textile and Bangladesh is the largest cotton importing country of the world. The BIAA made the plea when a delegation of BIAA led by its president met Minister, Ministry of Textiles & Jute at his office in Bangladesh Secretariat, Dhaka on January 15, 2019. "The Minister gave a patient hearing and assured the delegation that the issues came up in the meeting will be taken into consideration and necessary steps will be taken accordingly on priority basis," said a statement.

MFs post 16pc portfolio loss in 2018

Listed mutual funds performed poorly in the just concluded year (2018) as the sector registered a portfolio loss of 16.4 per cent in the year, whereas the market dropped by 13.75 per cent. The total net asset value of closed-end mutual funds was Tk 5,718.53 crore in December, 2018, which was Tk 6,840.29 crore in December, 2017, according to a LankaBangla Finance market research. Among the fund managers, Vanguard posted highest drop in portfolio returns in the year losing 17.7 per cent, followed by VIPB 17.7 per cent, ICB AMC 17.7 per cent, LR Global 12.8 per cent, RACE 11.5 per cent, ATC 11.0 per cent and AIMS 8.1 per cent in the year of 2018, it showed. A mutual fund is a professionally managed investment fund that pools money from many investors to purchase securities. The market was largely bearish in 2018, plummeting by 13.75 per cent. The bear run eroded share prices of most of the companies.

3 in, 3 out from blue chip index

Al-Arafah Islami Bank, HeidelbergCement and Orion Pharma have been dropped from the index of blue chip stocks, DS-30, for declines in turnover, while Pubali Bank, BBS Cables and Confidence Cement are set to be included in the index of the high-quality securities after they met all prerequisites.

Insurance stocks surge as investors shift focus

Most insurance stocks surged on January 16, 2019 amid a fall at Dhaka Stock Exchange as investors are increasingly shifting their focus to the insurance sector away from banks. Banking stocks mostly dominated the trading in the last 15 days and regularly became top gainers whereas insurance stocks had moved slowly. Now, investors expect that other sectors, including insurance, would move in the coming days, said market insiders. Of the 47 listed insurance companies, 33 advanced, 10 declined and four remained unchanged on the premier bourse. Non-life insurance stocks rose 6.9 percent and life insurance stocks went up 4.4 percent on an average. On the other hand, the price earning (PE) ratio of the insurance sector is lower than the market PE ratio. So, these stocks have the potential to move further, analysts said. According to DSE data, the price-earnings ratio of the insurance sector was 11.74 on the last day of 2018 when the total market PE ratio was 15.09. On Tuesday, the sector's PE ratio was 14.59 against the market PE ratio of 16.29.

GREEN DELTA CAPITAL

NEWS HIGHLIGHTS — January,2019

MI Cement looks to expand production capacity

The board of directors of MI Cement Factory Ltd., which produces Crown brand cement, has decided to expand its production capacity, officials said. The decision was taken at a meeting of the board of directors. As per the decision, the company will set up its 6th cement unit at Muktagachha in Munshiganj at a cost of Tk 6.0 billion. The new production line with a capacity of 8,400 tonnes per day is expected to go into commercial operation by 2021. After completion of the new unit, the total production capacity of the company would increase by 76 per cent to 19,400 tonnes per day from 11,000 tonnes. An official of the company said the growing demand for their cement has encouraged its board of directors to expand the production capacity.

AMCL (Pran) sees steady growth

Agricultural Marketing Company Ltd. (Pran) posted a steady growth in revenue earnings in last five fiscal years (2013-14 to 2017-18). To keep the revenue growth stable, the company always laid importance on a 'strong' distribution network and 'effective' marketing promotions. The company's revenue was above Tk 1.72 billion for the FY 2013-14. Later, the revenue gradually rose. The revenue was above Tk 1.88 billion in 2014-15, above Tk 2.09 billion in 2015-16, above Tk 2.38 billion in 2016-17 and above Tk 2.53 billion in 2017-18. AMCL (Pran) produces consumable products using agro-commodity and various beverages. The company's products include different types and brands of juice and drinks, mineral water, soft drinks, ice pop and mango bars. According to directors' report, the company ensured optimisation of equipment usage to maximise actutal production to keep consumers' faith 'intact'.

Pearl Paper plans to raise Tk 400m from stock mkt

Pearl Paper and Board Mills, a unit of BGD-Magura Group, has planned to raise Tk 400 million from the capital market using the fixed price method, officials said. The company has decided to float 40 million ordinary shares at an offer price of Tk 10 each for raising the said amount for business expansion. The Pearl Paper has recently signed an agreement with the issue managers - MTB Capital and Riverstone Capital in Dhaka. Chairman of BDG-Magura Group, chief executive officer (CEO) of MTB Capital and CEO of Riverstone Capital, were present among others at the signing ceremony. The initial public offering (IPO) proceeds will be used for purchasing machinery, repay partial bank loans and bearing the IPO expenses, according to the issue manager. Pearl Paper and Board Mills is a unit of BDG-Magura Group, established its factory at Sreerampur at Dhamrai in Dhaka with unique infrastructural facilities.

Finance stocks thrive on low prices

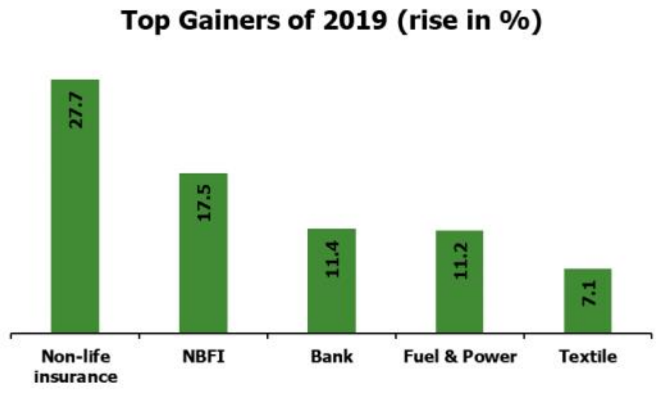
Shares on the Dhaka Stock Exchange (DSE) gained 475 points, or 8.80 percent, in the last 15 trading days led by rise in finance securities as investors flock to them due to low prices ahead of their full-year earnings reports. According to IDLC Securities, non-life insurance stocks rose 27.7 percent, the highest among all the sectors. The non-bank financial institutions and banking sectors were up 17.5 and 11.4 percent respectively during the period. "Investors have regained confidence in the market following the elections and chose the financial sector as it is going to declare dividend very soon," said chief executive officer of MTB Securities. The financial sector's accounting period runs from January to December, while all the listed companies in other categories prepare their balance sheets on the basis of the fiscal year that begins from July.

IDLC to enhance bond issue size to Tk 7.55b

IDLC Finance has decided to enhance issue size of the said non-convertible zero coupon bonds of Tk 7.55 billion from Tk 5.0 billion. Earlier on November 25,2018 the board of directors of IDLC Finance decided to issue non-convertible zero coupon bonds of Tk 5.00 billion in face value. Denomination of the bond is Tk 1.0 million each with tenor up to five years. The non-bank financial institutions will issue the bond through private placement. The bond issue is subject to the approval of regulatory authorities like Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC).

Nine shares downgraded to 'Z' category

Nine listed companies were downgraded to "Z" category in 2018 because of their poor performance, which inflicted losses on the retail investors who are holding their shares. The companies are Emerald Oil Industries, Tung Hai Knitting & Dyeing, Fareast Finance & Investment, AB Bank, Eastern Cables, Padma Islami Life Insurance, Evince Textiles, Northern Jute Manufacturing Company, and GBB Power. They were downgraded for failing to recommend dividends, remaining out of operation for more than six months, or failing to hold annual general meetings (AGMs). GBB Power, Northern Jute and Evince Textiles did not recommend any dividend for the year that ended on June 30, 2018. Padma Islami Life Insurance, AB Bank, and Fareast Finance & Investment did not announce dividend for the year that ended on December 31, 2017. Tung Hai Knitting and Emerald Oil were downgraded to junk stocks for their failure to hold AGMs in 2017.



NEWS HIGHLIGHTS — January,2019

Tk 9.0b disbursed under capital market refinancing scheme

The disbursement of Tk 9.0 billion has finally been completed under the capital market refinancing scheme initiated after 2010-11 stock market debacle to reduce sufferings of 'affected' investors. In August 2013, the state-run Investment Corporation of Bangladesh (ICB) received Tk 3.0 billion as the first installment of the refinancing scheme from the central bank. Later, the rest of the fund worth Tk 6.0 billion was disbursed through two installments. After disbursement of first installment, the tenure of the refinancing scheme was extended several times to ensure the utilisation of the fund. Finally, the fund's disbursement came to an end in December last through repeated efforts of the supervisory committee of the refinancing scheme.

DSE for sound fund flow for stocks in MPS

Dhaka Stock Exchange has urged the Bangladesh Bank to declare capital market-friendly monetary policy that would ensure consistent liquidity flow in the market. Bangladesh Bank will announce monetary policy statement for the second half of the current fiscal year 2018-2019 on January 30. On January 22, the country's premier bourse sent a letter to BB governor with a 7-point proposal for the interest of the capital market. Officials of the bourse said banks' single party exposure and stock market exposure limits squeezed liquidity flow at the stock market. The central bank should announce its MPS so that it could not widen the wound in the market. In the MPS, the premier bourse also appealed to emphasis the capital market as a mean of long term financing for the public, private and small capitalised companies rather than conventional bank loans, DSE said in the latter to BB.

EPS of eight companies rise marginally in Q2

The EPS (earnings per share) of eight listed companies rose marginally for October-December (Q2), 2018 compared to same period of the previous year 2017. The EPS of Miracle Industries, S. S. Steel, Dhaka Electric Supply Company, Rangpur Foundry, Agricultural Marketing Company Limited (Pran), Eastern Housing Limited, Malek Spinning Mills and Western Marine Shipyard rose. On the other hand, Bangladesh Services and Savar Refractories have incurred losses for October-December, 2018. According to un-audited financial statement for Q2, the EPS of Miracle Industries was Tk. 0.27 for October-December 2018 as against Tk. 0.26 for October-December 2017. The EPS was Tk. 0.55 for July-December 2018 as against Tk. 0.53 for July-December 2017. S. S. Steel has reported its EPS of Tk. 0.54 for October-December 2018 as against Tk. 0.31 for October -December 2017.

DSE plans to diversify products

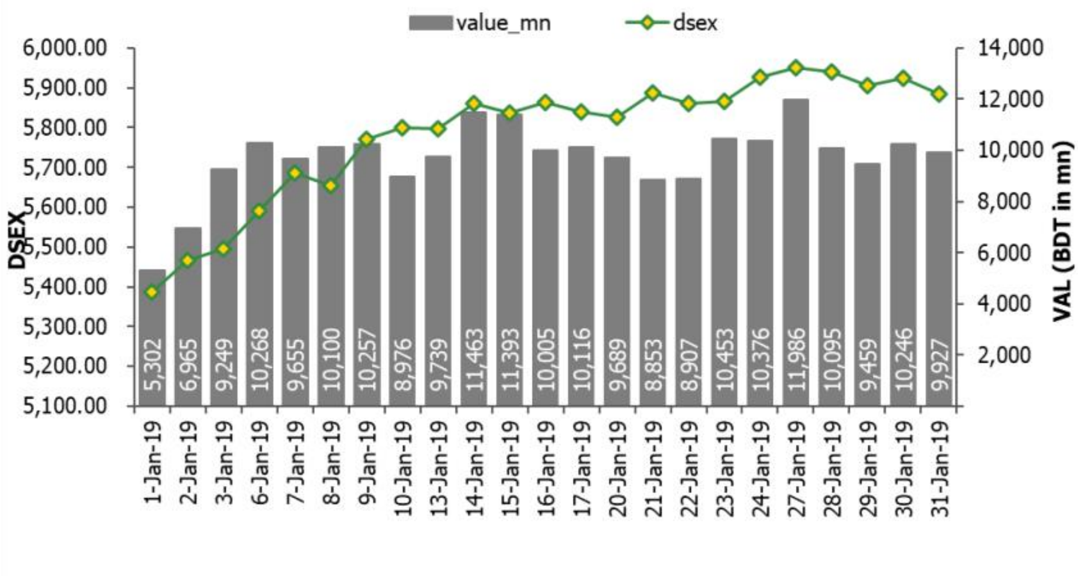
The country's stockmarket lacks diversified products, leaving investors with limited opportunities for exploration, said, managing director of Dhaka Stock Exchange (DSE). "The investors have limited scope to paint their portfolios with many colours," he told in an interview on January 27, 2019. "We are dealing with equities only. So, we are going to introduce ETF, derivatives, ATB, and SME platform." An ETF or exchange-traded fund is a marketable security that tracks a stock index, a commodity, bonds or a basket of assets. He says the DSE is going to introduce the ETF for professional brokers and this can be attractive to foreign investors as well. The exchange plans to launch an SME board soon so that the growth engine of the country's economy gets easy access to the financial system. It is also going to roll out an alternative trading board or ATB, a unique platform where non-listed companies can participate to attract investors.

IFAD Autos acquires 49pc holding of Gulf Oil

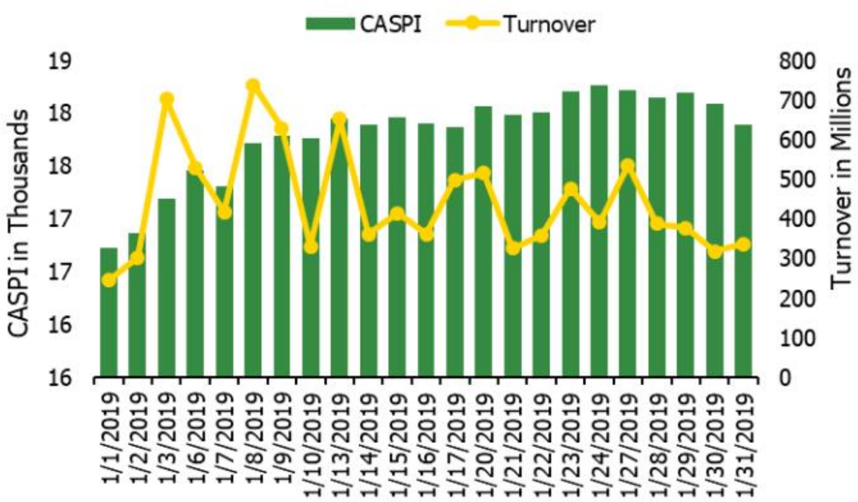
IFAD Autos has acquired 49 per cent holding of Gulf Oil (BD) at a cost of above Tk 119.07 million. In a disclosure, the company said all formalities regarding the acquisition have already been completed. Gulf Oil (BD), a subsidiary company of Gulf Oil International Limited (UK), is engaged in importing and selling its renowned brands of lubricant, grease and car care products in Bangladesh. In May, 2017 IFAD Autos signed a MOU with Gulf Oil Bangladesh with a view to subscribe 49 per cent of its equity shares at a cost of USD 1.685 million. According to a disclosure, IFAD Autos has acquired above 2.38 million ordinary shares of Gulf Oil Bangladesh at a price of Tk 50 each. Earlier, IFAD Autos said in a disclosure that their investment in Gulf Oil Bangladesh is expected to contribute a profit of Tk 43.6 million in the next year 2020 towards overall profitability of the company (approximately).

Capital Market Review

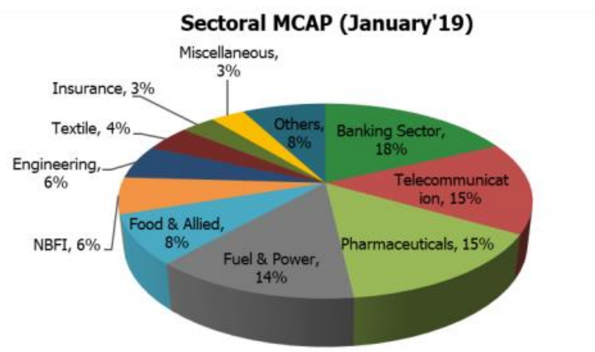
DSEX THROUGHOUT THE MONTH

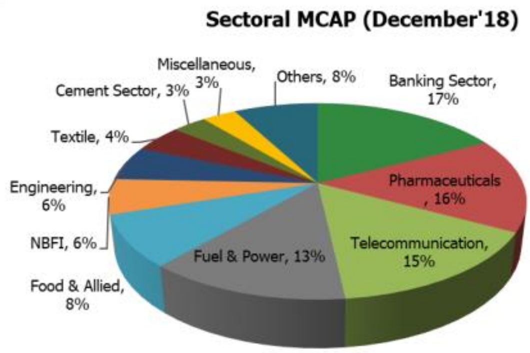


CASPI THROUGHOUT THE MONTH



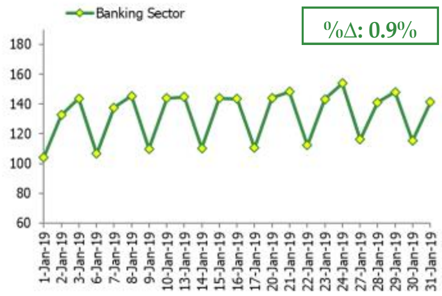
MONTHLY SECTOR-WISE MCAP

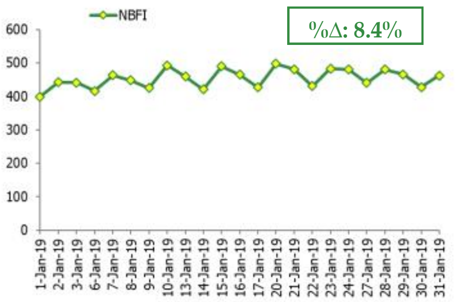


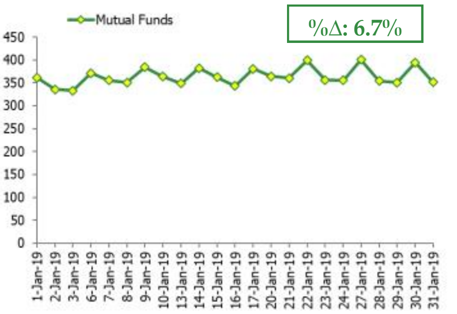


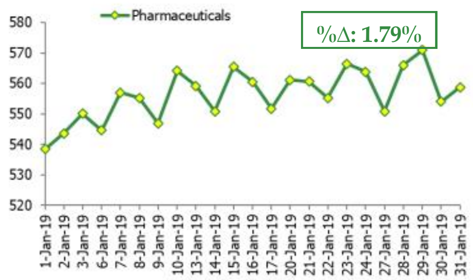
GREEN DELTA CAPITAL

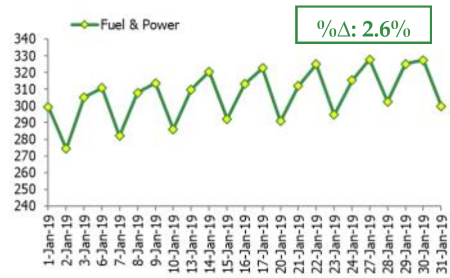
MONTHLY MAJOR SECTORAL MOVEMENT

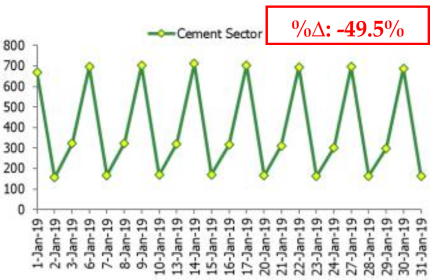


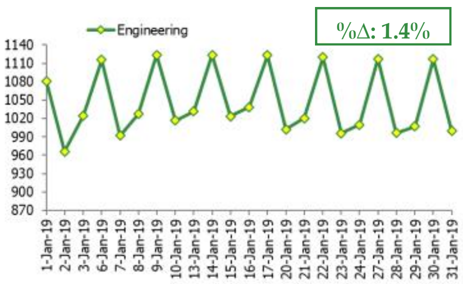


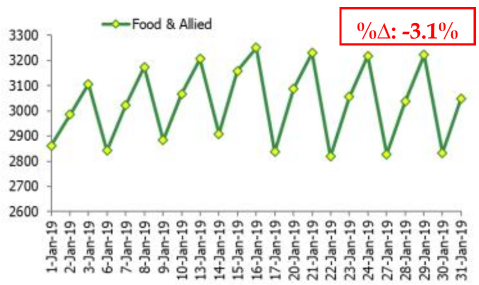


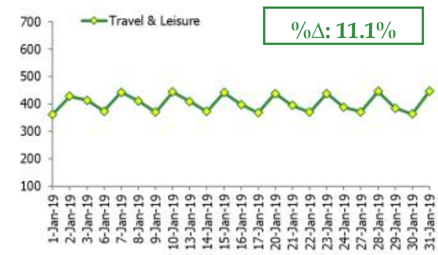


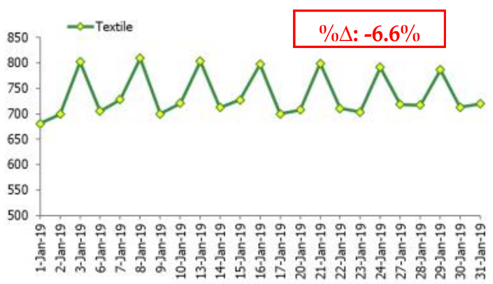


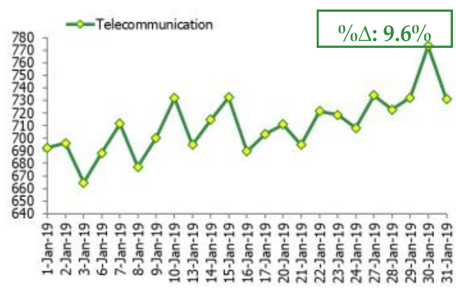


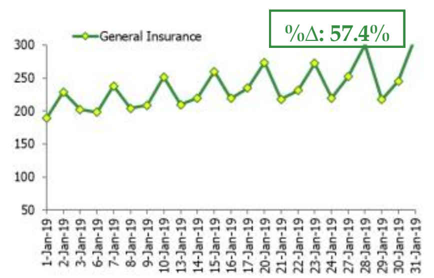












GREEN DELTA CAPITAL

DSE SECTOR-WISE STATISTICS

Sector/Industry	Average MCAP (BDT million)	MCAP %	Listed Issues	MCAP Δ (m/m)	PE	Div. Yield (%)
Bank	608,541.35	17.61%	30.00	-0.12%	11.20	5.54
NBFI	202,870.22	5.87%	23.00	0.46%	26.97	3.07
Mutual Funds	39,748.28	1.15%	36.00	-0.21%	--	7.61
Pharmaceuticals	518,371.46	15.00%	31.00	-0.59%	18.57	1.76
Engineering	199,843.68	5.78%	37.00	1.04%	17.92	1.99
Cement	104,383.11	3.02%	7.00	1.42%	42.12	2.39
Fuel & Power	464,827.90	13.45%	19.00	0.69%	13.53	3.84
Services & Real Estat	20,483.44	0.59%	4.00	0.27%	18.36	3.46
Food & Allied	287,660.60	8.32%	17.00	-0.82%	27.09	1.68
IT	17,679.44	0.51%	9.00	-0.80%	20.85	2.23
Textile	152,407.52	4.41%	53.00	0.56%	18.01	2.81
Travel & Leisure	21,713.19	0.63%	4.00	0.85%	24.19	3.73
Ceramic	29,498.05	0.85%	5.00	-0.18%	21.24	2.20
Telecommunication	523,009.03	15.13%	2.00	-0.60%	15.75	6.75
Tannery	27,928.69	0.81%	6.00	1.46%	16.82	1.96
Paper & Printing	18,300.61	0.53%	3.00	1.46%	37.01	2.26
Insurance	105,726.47	3.06%	47.00	0.75%	35.12	2.53
Miscellaneous	108,220.89	3.13%	13.00	-0.92%	27.74	1.60
Jute	4,774.27	0.14%	3.00	7.58%	97.57	0.15
Total	3,455,988.19		349.00		16.73	

DSE TOP APPRECIATING ISSUES DURING THE MONTH

DSE Code	Sector	Monthly Appreciation [Price]	Closing Price	PE	Avg. Turnover (mn)	Dividend Yield	Last Dividend (%)
UNITEDINS	Insurance	205.98%	76.8	32	36.52	1.43	1.10C
SONARBAINS	Insurance	194.67%	44.2	25.12	71.89	--	10.00%B
AGRANINS	Insurance	140.46%	41.6	27.86	59.42	1.2	5.00%B, 0.50C
PROVATIINS	Insurance	130.41%	39.4	21.41	45.42	2.54	1.00C
ASIAINS	Insurance	118.86%	38.3	22.44	29.43	2.61	1.00C
PRIMEINSUR	Insurance	85.40%	25.4	127.03	11.29	5.91	1.50C
JANATAINS	Insurance	70.07%	23.3	24.96	21.75	--	5.00%B
PURABIGEN	Insurance	67.44%	21.6	20.51	33.32	--	12.00%B
FEDERALINS	Insurance	63.92%	15.9	29.08	36.16	--	5.00%B
GLOBALINS	Insurance	61.59%	22.3	37.17	15.99	--	5.00%B
NORTHRNINS	Insurance	59.09%	28	14.48	15.77	3.57	1.00C
EASTLAND	Insurance	57.92%	31.9	20.8	41.40	2.35	7.50%B,
CITYGENINS	Insurance	57.46%	21.1	20.55	22.62	--	10.00%B
UNITEDFIN	Financial Institutions	57.30%	28	18.75	108.47	3.57	5.00%B,
PARAMOUNT	Insurance	55.17%	27	29.35	44.29	--	10.00%B

GREEN DELTA CAPITAL

DSE TOP 15 DECLINING ISSUES DURING THE MONTH

DSE Code	Sector	Monthly Apprecia-tion [Price]	Closing Price	PE	Avg. Turnover (mn)	Divi-dend Yield	Last Divi-dend
SEMLIBBLSF	Mutual Funds	-26.09%	6.8	--	0.92	5.88	0.40C
STYLECRAFT	Textile	-14.93%	754.9	95.33	38.17	--	410.00%B
SHASHADNIM	Textile	-14.55%	51.7	12.08	77.93	2.9	7.00%B,
SHEPHERD	Textile	-10.67%	38.5	30.56	51.21	3.12	1.20C
ICBIBANK	Bank	-10.42%	4.3	--	1.13	--	n/a
LIBRAINFU	Pharmaceuticals & Chemicals	-10.01%	899.3	--	23.43	--	20.00%B
KPPL	Paper & Printing	-9.09%	18	--	3.84	--	n/a
IFADAUTOS	Engineering	-8.86%	98.8	14.28	111.79	2.23	10.00%B,
KTL	Textile	-8.70%	23.1	12.03	32.01	--	10.00%B
NATLIFEINS	Insurance	-8.51%	197.8	--	28.24	1.01	15.00%B,
ACI	Pharmaceuticals & Chemicals	-8.25%	299.3	340.14	15.06	3.84	3.50%B, 11.50C
FINEFOODS	Food & Allied	-7.73%	38.2	580.22	24.72	--	3.00%B
KEYACOSMET	Pharmaceuticals & Chemicals	-7.58%	6.1	5.55	9.77	--	10.00%B
PRIMETEX	Textile	-7.20%	33.5	34.89	17.52	2.99	1.00C
INTECH	IT	-6.94%	52.3	18.68	96.07	--	11.00%B

DSE TOP 15 TRADED ISSUES DURING THE MONTH

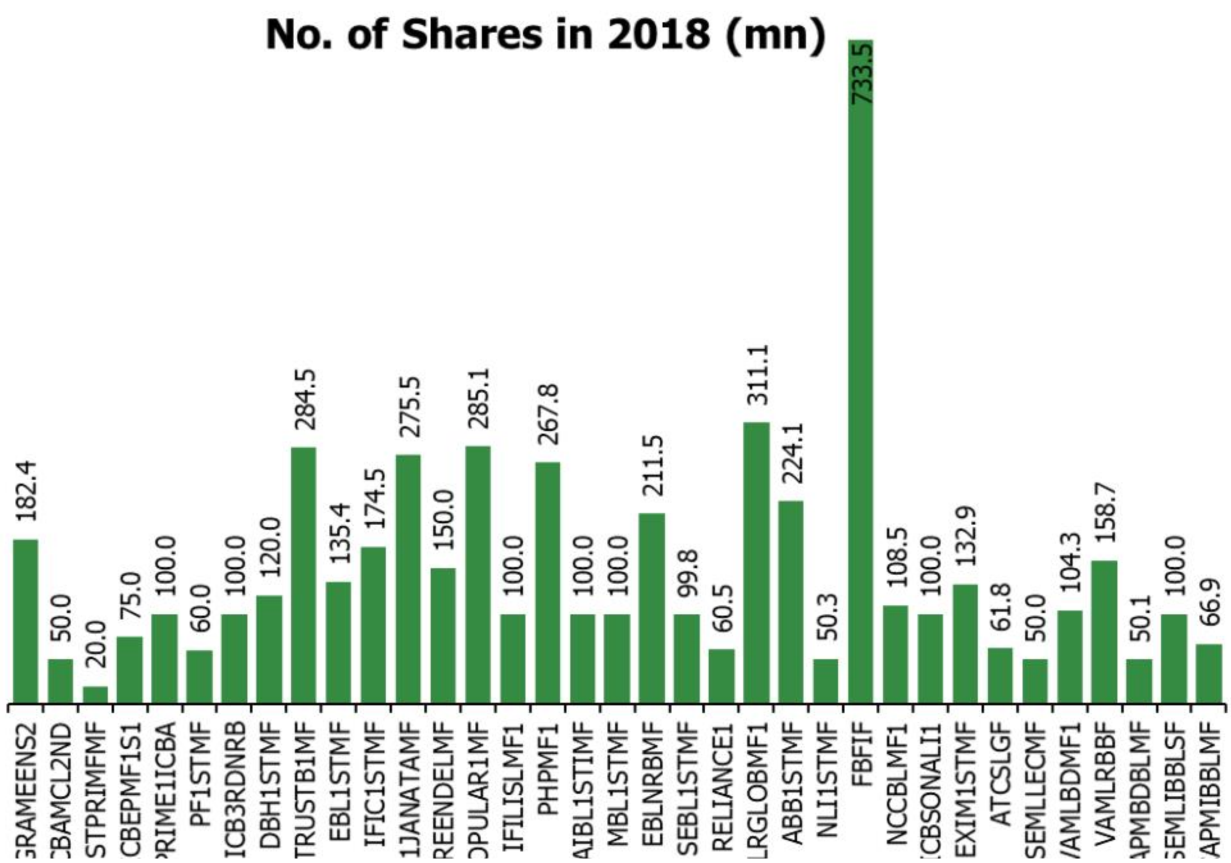
DSE Code	Sector	Monthly Apprecia-tion [Price]	Closing Price	PE	Avg. MCAP	Dividend Yield	Last Divi-dend
UPGDCL	Fuel & Power	34.61%	391.3	26.37	238.10	2.3	20.00%B, 9.00C
BBSCABLES	Engineering	9.45%	105.4	9.62	207.37	0.95	15.00%B, 1.00C
PREMIERBAN	Bank	40.17%	16.4	8.79	187.18	--	15.00%B
KPCL	Fuel & Power	7.93%	64	14.04	161.20	4.69	10.00%B, 3.00C
JMISMDL	Pharmaceuticals & Chemicals	46.83%	373.1	68.08	153.40	0.8	3.00C
OLYMPIC	Food & Allied	11.19%	240.4	25.04	141.85	2	4.80C
BRACBANK	Bank	7.98%	78.5	16.58	138.84	--	25.00%B
BEXIMCO	Miscellaneous	7.66%	25.3	16.01	137.80	1.98	5.00%B, 0.50C
SQURPHARMA	Pharmaceuticals & Chemicals	3.58%	263.3	16.5	131.88	1.37	7.00%B, 3.60C
GP	Telecommunication	8.41%	398.2	15.29	129.00	7.03	28.00C
PTL	Textile	3.95%	68.5	28.54	126.73	1.02	5.00%B, 0.70C
DHAKABANK	Bank	20.42%	17.1	10.18	117.46	--	12.50%B
IFADAUTOS	Engineering	-8.86%	98.8	14.28	111.79	2.23	10.00%B, 2.20C
SAIHAMCOT	Textile	18.99%	30.7	23.98	110.48	3.26	1.00C
UNITEDFIN	Financial Institutions	57.30%	28	18.75	108.47	3.57	5.00%B, 1.00C

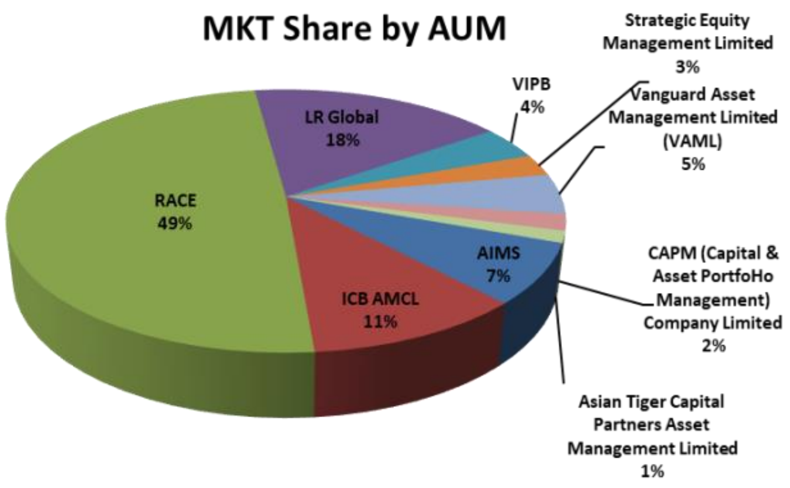
MUTUAL FUND

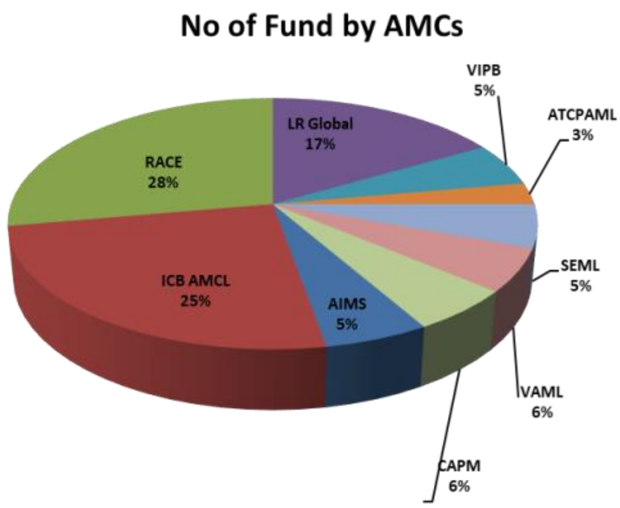
During last 40 years, the popularity of mutual fund has grown dramatically all over the world. As a result, currently in Bangladesh, there are 36 mutual funds in the industry. And, the industry is having shares more than 5 billion in numbers while the MCAP is over BDT 39 Billion.

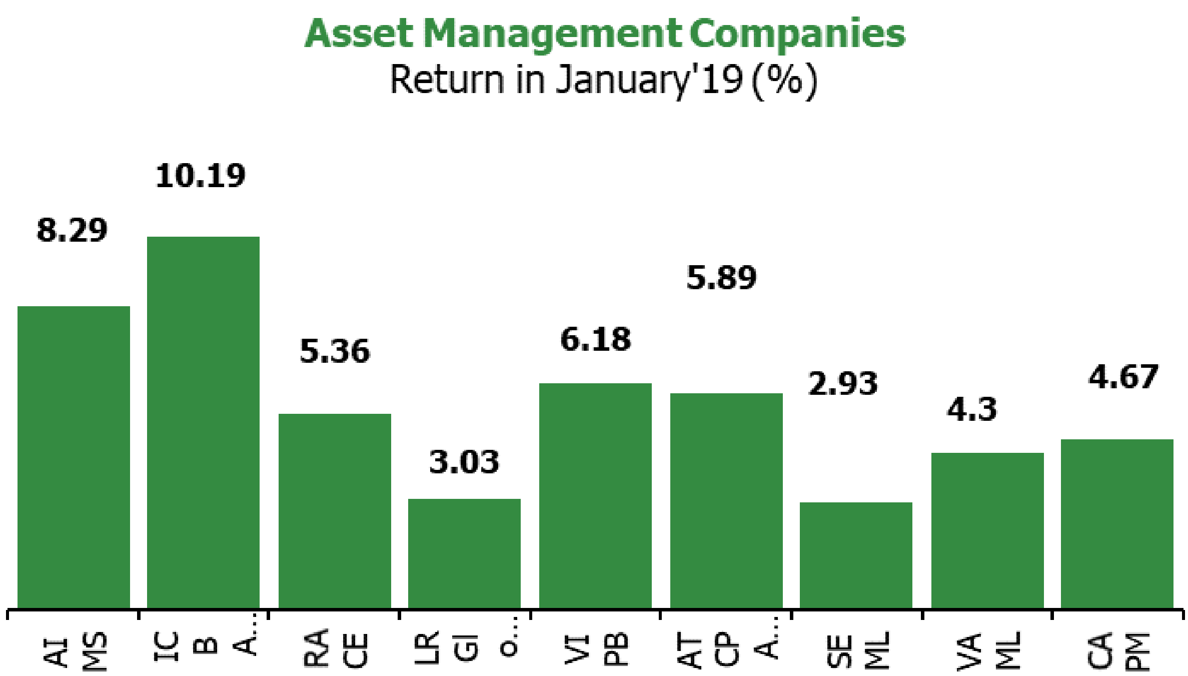
The abovementioned 36 funds are managed by eight Asset Management Companies (AMCs). The eight AMCs are —AIMS, ICB AMCL, RACE, LR Global, VIBP, Asian Tiger Capital Partners Asset Management Limited, Vanguard Asset Management Limited (VAML) & Strategic Equity Management Limited. Other 1 fund is managed by ICB. Here are some graphical presentation of ranking of the AMCs based on market share and number of managed funds.

Name	No of Funds	Issue Size (mn)
AIMS	2	2,307
ICB AMCL	9	7,032
RACE	10	23967
LR Global	6	8,896
VIPB	2	1,501
Strategic Equity Management Limited	2	1500
Vanguard Asset Management Limited	2	2631
CAPM	2	1170
Asian Tiger Capital Partners Asset Management Limited	1	618
Total	**36**	**49621**




MKT Share by AUM
Strategic Equity Management Limited 3%
VIPB 4%
Vanguard Asset Management Limited (VAML) 5%
LR Global 18%
RACE 49%
AIMS 7%
ICB AMCL 11%
CAPM (Capital & Asset PortfoHo Management) Company Limited 2%
Asian Tiger Capital Partners Asset Management Limited 1%


No of Fund by AMCs
VIPB 5%
ATCPAML 3%
LR Global 17%
RACE 28%
ICB AMCL 25%
AIMS 5%
SEML 5%
VAML 6%
CAPM 6%


Asset Management Companies
Return in January'19 (%)
8.29
10.19
5.36
3.03
6.18
5.89
2.93
4.3
4.67
AIMS
ICB A...
RACE
LR Gl o...
VIPB
ATCP A...
SEML
VAML
CAPM

MUTUAL FUNDS' PERFORMANCE

No.	DSE Code	Fund Manager	Market Cap (BDT Mn)	Market Share	Latest NAV/ unit	Price/NAV
1	GRAMEENS2	AIMS	2,361.4	7.1%	20.16	0.65x
2	ICBAMCL2ND	ICB AMCL	410.0	1.2%	9.36	0.88x
3	1STPRIMFMF	ICB AMCL	230.0	0.7%	12.84	0.90x
4	ICBEPMF1S1	ICB AMCL	487.5	1.5%	8.03	0.81x
5	PRIME1ICBA	ICB AMCL	610.0	1.8%	8.84	0.69x
6	PF1STMF	ICB AMCL	360.0	1.1%	8.47	0.71x
7	ICB3RDNRB	ICB AMCL	590.0	1.8%	7.98	0.74x
8	DBH1STMF	LR Global	1,080.0	3.3%	11.19	0.80x
9	TRUSTB1MF	RACE	1,321.9	4.0%	11.31	0.44x
10	EBL1STMF	RACE	977.8	3.0%	11.13	0.70x
11	IFIC1STMF	RACE	743.6	2.2%	11.08	0.42x
12	1JANATAMF	RACE	1,277.1	3.9%	11.11	0.45x
13	GREENDELMF	LR Global	1,185.0	3.6%	11.19	0.71x
14	POPULAR1MF	RACE	1,190.7	3.6%	11.19	0.40x
15	IFILISLMF1	ICB AMCL	720.0	2.2%	8.91	0.81x
16	PHPMF1	RACE	1,190.9	3.6%	10.94	0.44x
17	AIBL1STIMF	LR Global	780.0	2.4%	11.28	0.69x
18	MBL1STMF	LR Global	770.0	2.3%	11.46	0.67x
19	EBLNRBMF	RACE	978.7	3.0%	11.02	0.45x
20	SEBL1STMF	VIPB	1,257.3	3.8%	14.14	0.89x
21	RELIANCE1	AIMS	574.8	1.7%	13.99	0.68x
22	LRGLOBMF1	LR Global	2,115.3	6.4%	10.92	0.62x
23	ABB1STMF	RACE	1,022.0	3.1%	11.75	0.42x
24	NLI1STMF	VIPB	669.4	2.0%	15.18	0.88x
25	FBFIF	RACE	3,197.9	9.6%	11.21	0.42x
26	NCCBLMF1	LR Global	824.6	2.5%	11.36	0.67x
27	ICBSONALI1	ICB AMCL	740.0	2.2%	9.54	0.78x
28	EXIM1STMF	RACE	691.4	2.1%	11.45	0.49x
29	ATCSLGF	Asian Tiger Capital Partners Asset Management Limited	661.1	2.0%	13.15	0.81x
30	SEMLLECMF	Strategic Equity Management Limited	355.0	1.1%	10.94	0.65x
31	VAMLBDMF1	Vanguard Asset Management Limited (VAML)	782.4	2.4%	10.86	0.69x
32	VAMLRBBF	Vanguard Asset Management Limited (VAML)	1,254.1	3.8%	11.08	0.71x
33	CAPMBDBLMF	CAPM (Capital & Asset Portfolio Management) Company Limited	335.9	1.0%	10.49	0.64x
34	SEMLIBBLSF	Strategic Equity Management Limited	680.0	2.1%	10.72	0.63x
35	ICBAGRANI1	ICB AMCL	716.5	2.2%	9.91	0.74x
36	CAPMIBBLMF	CAPM (Capital & Asset Portfolio Management) Company Limited	561.6	1.7%	11.00	0.76x
	Total		**33,142.5**	**100%**	**—**	**0.58x**

GREEN DELTA CAPITAL

MUTUAL FUNDS' DIVIDEND Declaration

No	Name	Cash Dividend	Stock Dividend
1	GRAMEENS2	1.2	-
2	ICBAMCL2ND	0.6	-
3	ICB2NDNRB	1.2	-
4	1STPRIMFMF	0.85	-
5	ICBEPMF1S1	0.55	-
6	PRIME1ICBA	0.7	-
7	PF1STMF	0.5	-
8	ICB3RDNRB	0.5	-
9	DBH1STMF	0.9	-
10	TRUSTB1MF	0.2	10% (RIU)
11	EBL1STMF	0.2	10% (RIU)
12	IFIC1STMF	0.2	10% (RIU)
13	1JANATAMF	0.2	10% (RIU)
14	GREENDELMF	0.5	-
15	POPULAR1MF	0.35	10% (RIU)
16	IFILISLMF1	0.9	-
17	PHPMF1	0.25	10% (RIU)
18	AIBL1STIMF	0.7	-
19	MBL1STMF	0.8	-
20	EBLNRBMF	0.2	10% (RIU)
21	SEBL1STMF	1.35	-
22	RELIANCE1	1	-
23	LRGLOBMF1	-	-
24	ABB1STMF	0.3	10% (RIU)
25	NLI1STMF	1.5	-
26	FBFIF	0.2	10% (RIU)
27	NCCBLMF1	0.45	-
28	ICBSONALI1	0.75	-
29	EXIM1STMF	0.2	10% (RIU)
30	ATCSLGF	1.55	-
31	SEMLLECMF	1	-
32	VAMLBDMF1	0.75	-
33	VAMLRBBF	-	-
34	CAPMBDBLMF	0.2	-
35	SEMLIBBLSF	0.25	-
36	ICBAGRANI1	-	-
37	CAPMIBBLMF	-	-

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