

## Daily Market Update

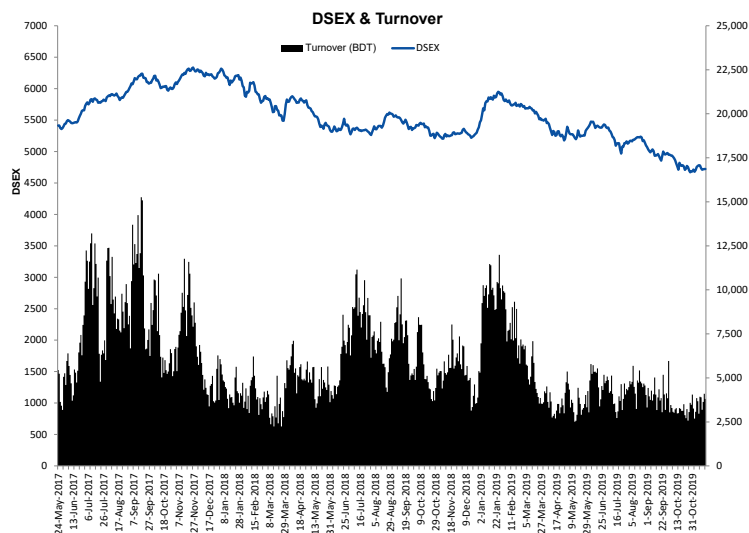
Market closed flat in green today. The benchmark index DSEX (+0.01%) gained 0.35 points and closed at 4,722.37 points. Both the blue chip index DS30 (+0.55%) and the Shariah-based index DSES (+0.15%) closed in green. The large cap sectors showed mixed performance today. Telecommunication booked the highest gain of 3.74% followed by Pharmaceuticals (+0.31%), Banks (+0.20%), and NBFIs (+0.16%). Power experienced the highest loss of 1.26% followed by Food & Allied (-0.66%) and Engineering (-0.45%). Turnover stood at BDT 3.8 billion (USD 45.8 million). Grameenphone Ltd. (+4.0%) was the most traded share with a turnover of BDT 241.1 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap	% of Total Mcap	Sectoral Turnover	% of Total Turnover
Banks	1,349.50	1,346.83	2.68	0.20%	30	550,807.0	18.31%	358.8	9.66%
NBFIs	1,602.27	1,599.68	2.59	0.16%	23	148,127.2	4.93%	81.5	2.20%
Mutual Funds	613.55	604.78	8.77	1.45%	37	31,884.4	1.06%	143.5	3.86%
General Insurance	1,977.97	2,005.60	-27.63	-1.38%	35	53,577.6	1.78%	729.1	19.64%
Life Insurance	2,038.24	2,033.92	4.31	0.21%	12	56,829.0	1.89%	107.5	2.90%
Telecommunication	4,514.70	4,351.85	162.85	3.74%	2	453,758.8	15.09%	310.2	8.35%
Pharmaceuticals	2,732.56	2,724.13	8.43	0.31%	32	515,372.6	17.14%	361.4	9.73%
Fuel & Power	1,666.38	1,687.69	-21.31	-1.26%	20	413,092.2	13.73%	196.4	5.29%
Cement	1,128.28	1,128.00	0.28	0.02%	7	68,616.0	2.28%	33.0	0.89%
Services & Real Estate	893.04	902.06	-9.02	-1.00%	8	34,990.4	1.16%	87.1	2.35%
Engineering	2,420.58	2,431.62	-11.03	-0.45%	39	157,081.5	5.22%	476.5	12.83%
Food & Allied	13,508.73	13,598.41	-89.68	-0.66%	17	249,498.6	8.30%	138.9	3.74%
IT	1,660.67	1,659.43	1.24	0.07%	9	18,360.7	0.61%	66.6	1.79%
Textiles	1,024.54	1,028.69	-4.16	-0.40%	55	99,362.2	3.30%	255.1	6.87%
Paper & Printing	4,944.24	5,013.91	-69.67	-1.39%	3	9,452.9	0.31%	11.9	0.32%
Tannery	1,850.07	1,877.19	-27.12	-1.44%	6	19,922.1	0.66%	128.8	3.47%
Jute	12,524.24	12,962.32	-438.09	-3.38%	3	2,767.9	0.09%	16.9	0.46%
Ceramics	488.45	485.33	3.13	0.64%	5	23,591.9	0.78%	92.1	2.48%
Miscellaneous	1,811.18	1,819.88	-8.70	-0.48%	13	100,496.8	3.34%	117.5	3.16%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Beacon Pharmaceuticals Limited	31.30	9.8%	63.4
Mozaffar Hossain Spinning Mills Ltd.	10.50	9.4%	7.2
Sea Pearl Beach Resort & Spa Limited	31.00	9.2%	48.2
Active Fine Chemicals Limited	19.10	8.5%	66.1
Prime Finance First MF	15.40	7.7%	18.9
Ambee Pharmaceuticals Ltd.	547.40	7.5%	4.8
Standard Ceramic	600.30	7.1%	87.6
Zeal Bangla Sugar Mills	36.30	7.1%	.3
Dacca Dyeing	3.10	6.9%	.1
CAPM BDBL Mutual Fund 01	9.90	6.5%	7.2

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Tosrifia Industries Limited	9.50	-8.7%	3.6
Titas Gas	35.30	-7.1%	10.2
M.I. Cement Factory Limited	41.20	-5.3%	.6
Bangladesh Lamps	150.00	-4.8%	2.8
Olympic Accessories Limited	6.10	-4.7%	4.2
Provati Insurance	31.10	-4.6%	29.3
Kattali Textile Limited	12.70	-4.5%	29.7
Agrani Insurance Co. Ltd.	31.10	-4.3%	24.1
Baraka Power Limited	24.60	-4.3%	11.0
Aramit Limited	261.50	-4.2%	1.5

Most Traded Share	Close	Δ%	Turnover (mn BDT)
Grameenphone Ltd.	323.00	4.0%	241.1
National Tubes	152.40	-1.9%	145.4
Standard Ceramic	600.30	7.1%	87.6
Sonar Bangla Ins	48.40	0.2%	86.0
Stylecraft Limited	722.70	0.8%	76.8
Monno Jute Staffers	871.80	0.9%	73.7
Bangladesh Submarine Cable Company Limited	106.80	-2.8%	69.1
Nitol Insurance	28.70	1.4%	69.0
BRAC Bank	61.20	2.5%	67.2
Active Fine Chemicals Limited	19.10	8.5%	66.1



Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,722.37	4,722.02	0.35	0.01%	-12.32%
DS30	1,661.22	1,652.15	9.07	0.55%	-11.67%
DSES	1,086.38	1,084.72	1.67	0.15%	-11.88%

	Advanced	Declined	Unchanged	Total
All Category	124	174	36	334
A Category (Equity)	92	132	22	246
B Category (Equity)	9	21	2	32
N Category (Equity)	4	2	1	7
Z Category (Equity)	19	19	11	49
Mutual Funds	27	2	8	37
Corporate Bonds	1	0	0	1

Market Stat		Today	Last Day	% Change
Mcap	Mn BDT	3,567,203.7	3,557,516.6	
	Mn USD	42,911.1	42,794.6	0.3%
Turnover	Mn BDT	3,808.3	4,096.2	-7.0%
	Mn USD	45.8	49.3	
Volume	Mn Shares	128.4	133.4	-3.7%
		115,903	131,215	-11.7%

**Associate:**  
**Md. Rafiqul Islam**  
 (880)1708805229  
 mrafiqulislam@bracepl.com

**Associate:**  
**Md. Mahirul Quddus**  
 (880)1709636546  
 mmahirul.quddus@bracepl.com

Top Ten Market Cap	Mcap (mn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	436.1	14.5%	241.10	12.5x	10.3x
British American Tobacco Bangladesh Company Limited	195.3	6.5%	31.44	22.7x	8.0x
Square Pharmaceuticals	188.3	6.3%	.00	14.7x	3.1x
United Power Generation & Distribution Company Ltd	138.4	4.6%	26.33	16.3x	9.4x
Renata Ltd.	105.4	3.5%	39.95	26.7x	6.4x
BRAC Bank	75.5	2.5%	67.23	14.7x	2.0x
Berger Paints	66.7	2.2%	1.43	28.8x	9.9x
Investment Corporation of Bangladesh	60.5	2.0%	3.73	NM	2.1x
Marico Bangladesh Limited	54.0	1.8%	8.77	21.6x	36.7x
Summit Power	40.5	1.3%	15.55	7.8x	1.5x

Top Ten Free Float Mcap	Free Float Mcap (mn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	123.4	10.2%	.00	14.7x	3.1x
British American Tobacco Bangladesh Company Limited	51.7	4.3%	31.44	22.7x	8.0x
Renata Ltd.	51.5	4.3%	39.95	26.7x	6.4x
Grameenphone Ltd.	43.6	3.6%	241.10	12.5x	10.3x
BRAC Bank	42.1	3.5%	67.23	14.7x	2.0x
Beximco Pharmaceuticals	28.6	2.4%	16.74	10.5x	1.2x
Olympic Industries	26.0	2.2%	5.22	18.5x	5.7x
Eastern Bank	19.6	1.6%	1.51	8.7x	1.2x
Pubali Bank	17.7	1.5%	9.06	6.8x	0.9x
National Bank	16.7	1.4%	12.01	7.2x	0.5x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
The ACME Laboratories Limited	60.80	60.80	6.08	100,000	2
BRAC Bank	59.70	59.70	35.82	600,000	1
CAPM BDBL Mutual Fund 01	9.20	9.20	0.50	54,460	1
Doreen Power Generations and Systems Limited	54.00	54.00	4.86	90,000	1
Eastland Insurance	28.00	28.00	1.02	36,400	1
Grameenphone Ltd.	320.00	320.00	3.20	10,000	1
Lankabangla Finance	15.70	15.70	20.02	1,275,000	1
Mercantile Insurance	36.90	36.90	5.54	150,000	2
Navana CNG Limited	41.00	41.00	11.07	270,000	1
Rahim Textile	248.00	248.00	6.92	27,900	1
Standard Insurance	34.00	34.00	0.75	22,000	1

**Corporate Actions: Upcoming Record Dates**

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
ALLTEX	Alltex Industries Ltd.		0.0%	0.0%	30-Jun-2019	20-Nov-2019
SAIHAMCOT	Saiham Cotton Mills Limited		0.0%	10.0%	30-Jun-2019	20-Nov-2019
AIL	Alif Industries Limited		7.0%	3.0%	30-Jun-2019	20-Nov-2019
ALIF	Alif Manufacturing Company Ltd.		8.0%	2.0%	30-Jun-2019	20-Nov-2019
KTL	Kattali Textile Ltd.		10.0%	2.0%	30-Jun-2019	20-Nov-2019
GEMINISEA	Gemini Sea Food Ltd.		10.0%	0.0%	30-Jun-2019	20-Nov-2019
AMANFEED	Aman Feed Ltd.		0.0%	12.5%	30-Jun-2019	20-Nov-2019
MIRACLEIND	Miracle Industries Ltd.		4.0%	0.0%	30-Jun-2019	20-Nov-2019
RENATA	Renata Limited		10.0%	100.0%	30-Jun-2019	20-Nov-2019
ANLIMAYARN	Anlima Yarn Dyeing Ltd.		0.0%	5.0%	30-Jun-2019	20-Nov-2019
FARCHEM	Far Chemical Industries Limited.		10.0%	0.0%	30-Jun-2019	20-Nov-2019

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DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
AAMRATECH	aamra Technologies Limited		5.0%	5.0%	30-Jun-2019	20-Nov-2019
ZAHINTEX	Zahintex Industries Ltd.		0.0%	0.0%	30-Jun-2019	20-Nov-2019
NFML	National Feed Mill Limited		1.0%	0.0%	30-Jun-2019	20-Nov-2019

**Important DSE News**
**INTRACO**

(Q1 Un-audited): Consolidated EPS was Tk. 0.15 for July-September 2019 as against Tk. 0.13 for July-September 2018; Consolidated NOCFPS was Tk. 0.40 for July-September 2019 as against Tk. 0.20 for July-September 2018. Consolidated NAV per share was Tk. 13.06 as on September 30, 2019 and Tk. 12.97 as on September 30, 2018.

**STANDBANKL**

The Board of Directors of the Company has decided to raise Tk. 500.00 crore through issuance of Perpetual Bond as Additional Tier- 1 capital to comply with the Guidelines on Risk Based Capital Adequacy (Revised Regulatory Capital Framework for banks in line with Basel-III) dated December 2014 and to strengthen the capital base of the Bank as well as to support the business growth, subject to approval from concerned regulatory authorities and complying with regular requirements.

**NPOLYMAR**

Mr. Golam Murshed, one of the Sponsors Directors of the Company has expressed his intention to transfer 8,50,000 shares out of his total holding of 27,41,420 shares to his son Mr. Ehsanul Karim, General Shareholders of the Company, by way of gift outside the trading system of the Exchange within 30 working days from the date of issuance of approval letter by DSE.

**GHAIL**

This is for information of all concerned that the Company's 7% cash and 5% stock dividend declared on 24.10.19 with record date on 18.11.19 applies to existing shares excluding upcoming shares to be issued for right issue. Therefore, adjusted opening price has been automatically calculated considering additional number of shares.

**MJLBD**

Qualified Opinion: Section 232 of The Bangladesh Labour (Amendments) Act 2013 which has been enacted in July 2013 requires 5% of the Company's net profit before tax to be distributed each period to a Workers' Profit Participation Fund (WPPF). The Company has not made any provision for WPPF against the said requirement of the Bangladesh Labour (Amendments) Act 2013 for the period from 01 July 2018 to 30 June 2019. As disclosed in note # 2.15(iii) to the financial statements, none of MJL Bangladesh Limited and its subsidiaries has made any provision for the said fund. Had the provision for WPPF been made in these financial statements the net profit before tax of the Group as well as of the Company would have been decreased by Tk. 152,940,246 and Tk. 94,790,529 respectively. Note 2.15 Benefits to the employees (iii) Workers' Profit Participation Fund-According to amended Labor Act 2013, the company is required to set up "Worker's Profit Participation Fund" and transfer 5% of the net profits to this fund utilized in accordance with the provision of the Act. The Bangladesh Energy Companies Association, on behalf of our Company and other member companies, has filed an appeal with the Government of Bangladesh for amendment/ waiver of the application of the "Worker Participation Fund" in respect of the energy companies in Bangladesh. The matter is at appeal stage now pending be-

fore the concerned government authority for decision. In absence of satisfactory response from the government authority and/or any claim from competent authorities such as the Directorate of Labour/ National Board of Revenue, the company may proceed on with filing writ petition in this matter for appropriate relief from the High Court Division, Supreme Court of Bangladesh. The company expects to finalize this matter very soon. Accordingly, no provision has been made in the financial statements for this obligation. Emphasis of Matter: We draw attention to the fact described in Note # 2.24 to the financial statements that MJL Bangladesh Limited offloaded its investment in shares of one of its subsidiaries namely, MJL & AKT Petroleum Limited during the year under audit. MJL Bangladesh Limited occupied 51% shares of the said subsidiary which contributed 0.45% of the total revenue of the Group for the year ended 30 June. Note 02.24 Events after reporting date: Offload of investment in share of MJL & AKT Petroleum Limited: Non-adjusting event. MJL & AKT Petroleum Limited was a subsidiary company of MJL Bangladesh Limited, incorporated in Myanmar to carry out business as the authorized importer, dealer and distributor of ExxonMobil Engine Oil, since 2013. MJL Bangladesh possesses 51% shares of that company. The Board of Directors of MJL Bangladesh Limited decided to offload its entire share in MJL & AKT Petroleum Limited under a put option at a consideration value of USD 1.3 million as against cost of the investment of USD 1.02 million. The Sale and Purchase Agreement (SPA) was approved in the Board meeting held on 31 July 2019 and signed on 19 August 2019 and the proceeds were received by MJL Bangladesh Limited on the same day. MJL & AKT Petroleum Limited contributed 0.45% to MJLBL Group revenue for the year ended 30 June 2019 and the financial statements of MJL & AKT Petroleum Limited has been audited for the year ended 31 March 2019.

#### **WATACHEM**

Qualified Opinion: 1. No depreciation was charged on LABSA plant and BCP plant. The management reported that these plants are not in use since 2008. According to IAS 16 (paragraph 55), a company should not cease the depreciation when the assets become idle or is retired from active use unless the asset is fully depreciated. As a result, depreciation was undercharged by Tk. 8,307,613 for this year. 2. The company has revalued its Plant & Machinery and Factory Building in 2008 but has not transferred depreciation on revaluation from Reserves & Surplus to Revaluation Reserve for 04 (four) years from 2008 to 2011. As such consistency was not maintained as per paragraph 34 of IAS 16 "Property, Plant & Equipment". Therefore, retained earnings has been understated and Revaluation reserve has been overstated to the same extent. Moreover, the company has not maintained fixed asset register properly. 3. The company has utilized WPPF fund in its operation as internal source of financing but did not provide interest for such usage as per section 240 (3) of Labor Act 2006 as amended in 2013. Moreover, the company to manage WPPF has not constituted Board of Trustees, which is a violation of section 235 of the said Act. An amount of Tk. 26,662,839 has been shown under the head of "Workers Profit Participation Fund" as current liabilities. However, no amount has been disbursed as employees' benefits to the workers. This indicates the violation of the provision of Labor Act 2006 section 242(1) as amended in 2013. 4. Difference of tax provision on final assessment of previous years has been treated as deduction from Reserve & Surplus as presented in Note 21.00 "Reserve & Surplus" in the year 2017-2018. During the year, the Company has not made tax provisions on new addition in Workers' Profit Participation Fund (WPPF) amounting Tk. 9,367,626 tax charge on which comes at Tk. 2,341,906. Resultantly net Profit after tax has been overstated by Tk. 2,341,906 and EPS has been overstated by 0.19 Emphasis of Matter: (a) We draw attention to Note 1.33 restatement" of notes to the financial statements which describes the effects of restatement of the last years comparative figures in the financial statements. Our opinion is not modified in this respect. Note 01.33 Restatement - Previous year's figures have been restated due to error occurred before the earliest period for adjustment of deferred tax on revaluation of asset

to Reserve and Surplus rather than revaluation Reserve in line with IAS-8 "Accounting policies, Changes in Accounting Estimates and Errors." Following disclosure is given as per Para- 49 of IAS-8: 1. Nature of the prior period error: Deferred tax on revaluation of assets has been charged as expense in Statement of Comprehensive Income rather than adjusting from Revaluation Reserve. 2. For each prior period presented, to the extent practicable, the amount of the correction. (i) Reserve and Surplus has been credited and Revaluation Reserve has been debited by Tk. 2,139,110 as at 01 July 2017 & Tk.1,952,331 as at 30 June 2018 (ii) Basic EPS has been restated to the following figures: Basic EPS for 01-Jul-18 to 30-Jun-19 is Tk. 11.63 per share; 01-Jul-17 to 30-Jun-18 is Tk. 4.24 per share and Restated EPS for the same period is Tk. 4.40 per share. (iii) No impracticable event /condition was occurred for the above case. (b) We draw attention to Note 35.00 "Earnings Per Share" of the financial statements which describes the reasons for increase in EPS from 4.40 in the previous year to 11.63 this year which is mainly high growth in the sales volume and also increase of sales price per unit during the period of our audit. Our opinion is not modified in respect of this matter. Note 35.00: Earning Per Share as on 30.06.2019 was Tk. 11.63 per share and as on 30.06.2018 was Tk. 4.40 per share. (N.B.: Previous years EPS restated on the basis of 11,858,095 shares.) (c) We draw attention to Note 8.00 "Loans, Advances & Deposits" of the financial statements which includes Tk. 529,619,059 pertaining to advance payment to suppliers for BMRE works in respect of new plant and Equipment. Such capital expenditure has been made with short term loan instead of long term finance due to swift supplier payment requirements Our opinion is not modified in respect of this matter. Note 08.00: Loans, Advances & Deposits as on 30.06.2019 was Tk. 546,450,428 and as on 30.06.2018 was Tk. 18,527,649 (d) We draw attention to Note 53.00 "Contingent Liabilities" of the notes to the financial statements which describes that the Commissioner of Customs Excise and VAT Directorate has raised claim of Tk. 41,427,896 against the company because due to a VAT audit objection. The company has filed an appeal to Appellate Tribunal after the payment of Tk. 4,142,790 equals to 10% of claimed amount. Appeal is still pending in Appellate Tribunal. Our opinion is not modified in respect of this matter. 53.00 CONTINGENT LIABILITY: Commissioner of Customs, Excise and VAT Directorate, Dhaka has raised claim amounting to Tk. 41,427,896 based on their audit objection vide letter dated 11.08.2014. Against this claim, company has filed appeal with Appellate Commissioner on deposit of amount Tk. 4,142,790. The case is still pending with appellate Tribunal. No additional liability had been accounted. (e) We draw attention to Note 6.00 "Accounts Receivable" where the entity has disclosed that the effects of expected credit loss in accordance with IFRS 9 have not been shown in the financial statements. Our opinion is not modified as the figure is not material separately or as a whole to the financial statements in respect of this matter. Note 06.00: Accounts Receivable as on 30.06.2019 was Tk. 90,765,720 and as on 30.06.2018 was Tk. 27,521,991