

Daily Market Update

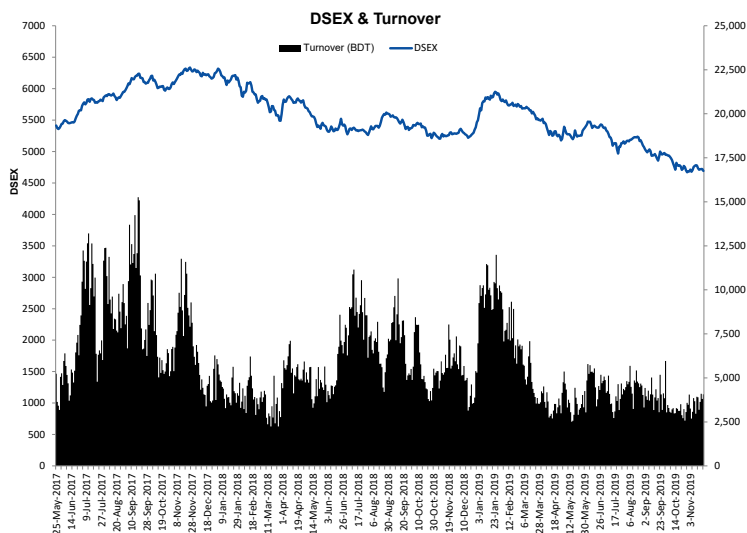
Market closed in red today. The benchmark index DSEX (-0.64%) lost 30.44 points and closed at 4,691.94 points. Both the blue chip index DS30 (-0.96%) and the Shariah-based index DSES (-1.01%) closed in red. The large cap sectors showed negative performance today except Telecommunication (+0.01%). Pharmaceuticals experienced the highest loss of 1.03% followed by Engineering (-0.71%), Banks (-0.60%), NBFIs (-0.52%), Food & Allied (-0.35%), and Power (-0.21%). Turnover stood at BDT 4.1 billion (USD 48.9 million). Grameenphone Ltd. (+0.0%) was the most traded share with a turnover of BDT 215.0 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap	% of Total Mcap	Sectoral Turnover	% of Total Turnover
Banks	1,341.40	1,349.50	-8.11	-0.60%	30	547,498.9	18.27%	280.9	6.94%
NBFIs	1,593.96	1,602.27	-8.31	-0.52%	23	147,359.3	4.92%	125.4	3.10%
Mutual Funds	610.05	613.55	-3.50	-0.57%	37	31,702.6	1.06%	104.0	2.57%
General Insurance	1,996.27	1,977.97	18.31	0.93%	35	54,073.4	1.80%	751.7	18.56%
Life Insurance	2,079.77	2,038.24	41.53	2.04%	12	57,987.0	1.93%	108.2	2.67%
Telecommunication	4,515.23	4,514.70	0.52	0.01%	2	453,811.4	15.14%	268.7	6.64%
Pharmaceuticals	2,704.50	2,732.56	-28.06	-1.03%	32	510,080.3	17.02%	713.9	17.63%
Fuel & Power	1,662.88	1,666.38	-3.49	-0.21%	20	412,226.7	13.75%	201.1	4.96%
Cement	1,132.15	1,128.28	3.87	0.34%	7	68,851.1	2.30%	42.8	1.06%
Services & Real Estate	903.86	893.04	10.83	1.21%	8	35,414.5	1.18%	55.3	1.36%
Engineering	2,403.46	2,420.58	-17.12	-0.71%	39	155,970.2	5.20%	572.1	14.13%
Food & Allied	13,461.74	13,508.73	-46.99	-0.35%	17	248,630.7	8.30%	122.0	3.01%
IT	1,672.71	1,660.67	12.05	0.73%	9	18,493.9	0.62%	103.2	2.55%
Textiles	1,020.37	1,024.54	-4.17	-0.41%	55	98,958.2	3.30%	258.0	6.37%
Paper & Printing	4,888.47	4,944.24	-55.77	-1.13%	3	9,346.3	0.31%	8.6	0.21%
Tannery	1,828.23	1,850.07	-21.84	-1.18%	6	19,687.0	0.66%	66.6	1.64%
Jute	12,636.73	12,524.24	112.49	0.90%	3	2,792.8	0.09%	12.3	0.30%
Ceramics	489.15	488.45	0.69	0.14%	5	23,625.3	0.79%	124.2	3.07%
Miscellaneous	1,812.80	1,811.18	1.61	0.09%	13	100,586.3	3.36%	131.1	3.24%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Mithun Knitting	8.20	9.3%	.3
BD Autocars	179.60	9.0%	18.7
Beacon Pharmaceuticals Limited	33.80	8.0%	86.8
M.L. Dyeing Limited	36.60	8.0%	47.0
National Tubes	163.50	7.3%	167.8
Asia Insurance Limited	29.30	6.9%	129.0
Pioneer Insurance	36.70	6.7%	74.8
Silco Pharmaceuticals Limited	33.80	6.5%	17.0
Kay and Que	203.90	6.1%	16.9
M.I. Cement Factory Limited	43.70	6.1%	.5

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Green Delta Insurance	51.60	-8.7%	.5
Square Textile	34.40	-8.0%	1.5
Vanguard AML BD Finance Mutual Fund One	6.60	-5.7%	1.1
Premier Cement Mills Limited	50.00	-5.3%	.0
IFAD Autos Limited	38.30	-5.2%	14.6
Prime Finance First MF	14.60	-5.2%	10.8
Matin Spinning Mills Ltd.	32.70	-4.9%	.5
Emerald Oil Industries Ltd.	15.00	-4.5%	2.
Rangpur Foundry	120.10	-4.4%	1.1
Familytex (BD) Limited	2.20	-4.3%	.2

Most Traded Share	Close	Δ%	Turnover (mn BDT)
Grameenphone Ltd.	323.10	0.0%	215.0
Square Pharmaceuticals	214.40	-3.9%	209.9
National Tubes	163.50	7.3%	167.8
Asia Insurance Limited	29.30	6.9%	129.0
Wata Chemicals Limited	497.60	2.1%	128.2
Sonar Bangla Ins	51.20	5.8%	112.2
Beacon Pharmaceuticals Limited	33.80	8.0%	86.8
Genex Infosys Limited	55.40	3.2%	83.6
Pioneer Insurance	36.70	6.7%	74.8
Stylecraft Limited	709.10	-1.9%	61.1



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Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,691.94	4,722.37	-30.44	-0.64%	-12.88%
DS30	1,645.31	1,661.22	-15.92	-0.96%	-12.52%
DSES	1,075.44	1,086.38	-10.94	-1.01%	-12.77%

	Advanced	Declined	Unchanged	Total
All Category	132	161	47	340
A Category (Equity)	98	123	30	251
B Category (Equity)	11	17	5	33
N Category (Equity)	8	0	1	9
Z Category (Equity)	15	21	11	47
Mutual Funds	5	18	14	37
Corporate Bonds	0	1	0	1

Market Stat		Today	Last Day	% Change
Mcap	Mn BDT	3,556,665.9	3,567,203.7	
	Mn USD	42,784.4	42,911.1	-0.3%
Turnover	Mn BDT	4,063.5	3,808.3	6.7%
	Mn USD	48.9	45.8	
Volume	Mn Shares	122.0	128.4	-5.0%
Trade		117,726	115,903	1.6%

Top Ten Market Cap	Mcap (mn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	436.3	14.6%	215.00	12.5x	10.3x
British American Tobacco Bangladesh Company Limited	195.0	6.5%	16.44	22.6x	8.0x
Square Pharmaceuticals	181.0	6.0%	209.88	14.1x	2.8x
United Power Generation & Distribution Company Ltd	138.9	4.6%	14.42	16.4x	9.4x
Renata Ltd.	105.4	3.5%	.00	26.7x	6.4x
BRAC Bank	74.2	2.5%	28.05	14.5x	2.0x
Berger Paints	66.5	2.2%	4.79	28.7x	9.9x
Investment Corporation of Bangladesh	60.1	2.0%	2.72	NM	2.1x
Marico Bangladesh Limited	55.0	1.8%	13.16	22.0x	37.3x
Summit Power	40.3	1.3%	14.10	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	118.7	9.9%	209.88	14.1x	2.8x
British American Tobacco Bangladesh Company Limited	51.6	4.3%	16.44	22.6x	8.0x
Renata Ltd.	51.5	4.3%	.00	26.7x	6.4x
Grameenphone Ltd.	43.6	3.6%	215.00	12.5x	10.3x
BRAC Bank	41.4	3.4%	28.05	14.5x	2.0x
Beximco Pharmaceuticals	28.3	2.4%	30.34	10.4x	1.2x
Olympic Industries	25.8	2.1%	3.06	18.3x	5.7x
Eastern Bank	19.5	1.6%	5.85	8.7x	1.2x
Pubali Bank	17.9	1.5%	.50	6.8x	0.9x
National Bank	16.1	1.3%	11.65	7.0x	0.5x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
BRAC Bank	61.40	61.40	3.07	50,000	2
Mercantile Insurance	36.10	36.10	1.81	50,000	1
Shurwid Industries Limited	29.00	29.00	2.90	100,000	1
SK Trims & Industries Limited	48.50	48.50	5.72	118,000	1

Corporate Actions: Upcoming Record Dates

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
RDFOOD	Rangpur Dairy & Food Products Ltd.		5.0%	0.0%	30-Jun-2019	21-Nov-2019
SHYAMPSUG	Shyampur Sugar Mills Ltd.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
BENGALWTL	Bengal Windsor Thermoplastics Ltd.		0.0%	5.0%	30-Jun-2019	21-Nov-2019
ADVENT	Advent Pharma Limited		10.0%	2.0%	30-Jun-2019	21-Nov-2019
SAIHAMTEX	Saiham Textile Mills Ltd.		0.0%	10.0%	30-Jun-2019	21-Nov-2019
IBP	Indo-Bangla Pharmaceuticals Limited		9.0%	2.0%	30-Jun-2019	21-Nov-2019
RENWICKJA	Renwick Jaineswar & Co (Bd) Ltd.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
SHASHADNM	Shasha Denims Ltd.		5.0%	5.0%	30-Jun-2019	21-Nov-2019
BBSCABLES	BBS Cables Limited		10.0%	10.0%	30-Jun-2019	21-Nov-2019
BBS	Bangladesh Building Systems Ltd.		10.0%	0.0%	30-Jun-2019	21-Nov-2019
ZEALBANGLA	Zeal Bangla Sugar Mills Ltd.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
KBPPWBIL	Khan Brothers PP Woven Bag Ind.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
NEWLINE	New Line Clothings Limited		7.0%	3.0%	30-Jun-2019	21-Nov-2019
CONFIDCEM	Confidence Cement Ltd.		15.0%	15.0%	30-Jun-2019	21-Nov-2019
AGNISYSL	Agni Systems Limited		0.0%	7.0%	30-Jun-2019	21-Nov-2019
ARAMIT	Aramit Ltd.		0.0%	50.0%	30-Jun-2019	21-Nov-2019

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DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
FUWANGCER	Fu-Wang Ceramic Ind. Limited		0.0%	1.0%	30-Jun-2019	21-Nov-2019
CVOPRL	CVO Petrochemical Refinery Limited		0.0%	2.0%	30-Jun-2019	21-Nov-2019
DESHBANDHU	Deshbandhu Polymer Limited		0.0%	5.0%	30-Jun-2019	21-Nov-2019
DAFODILCOM	Daffodil Computers Limited		0.0%	10.0%	30-Jun-2019	21-Nov-2019
GPHISPAT	GPH Ispat Ltd.		5.0%	5.0%	30-Jun-2019	21-Nov-2019
METROSPIN	Metro Spinning Limited		0.0%	2.0%	30-Jun-2019	21-Nov-2019
MEGCONMILK	Meghna Condensed Milk Ind. Ltd.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
MEGHNAPET	Meghna PET Ind. Ltd.		0.0%	0.0%	30-Jun-2019	21-Nov-2019
SIMTEX	Simtex Industries Limited		5.0%	9.0%	30-Jun-2019	21-Nov-2019
SSSTEEL	S. S. Steel Limited		10.0%	5.0%	30-Jun-2019	21-Nov-2019
DESCO	Dhaka Electric Supply Company Ltd.		0.0%	12.0%	30-Jun-2019	21-Nov-2019
COPPOERTECH	Coppertech Industries Limited		5.0%	7.0%	30-Jun-2019	21-Nov-2019
TOSRIFA	Tosrifa Industries Limited		0.0%	1.0%	30-Jun-2019	21-Nov-2019

Important DSE News
BDAUTOCA

The Company has published its 40th AGM Notice where Agenda No 3 is - "to fix and approve cash dividend instead of 15% stock dividend for each share of Tk. 10 - as recommended by the Board of Directors for the year ended 30th June 2019, to comply SEC press release dated 2nd October, 2019". In this regard, DSE has sent a query regarding Board of Director's new decision on dividend.

MAKSONSPIN

Material Uncertainty Related to Going Concern: We draw attention to Note # 3.17 in the financial statements which describes the basis of using going concern in preparing financial statements by the Company. The Company's profitability significantly dropped during the year from BDT 115,281,804 in 2017-18 to BDT 28,448,349 which is a decrease of more than 75%. In addition, operating cash flows continues to be negative during the year as well as in the last few years. These conditions indicate that a material uncertainty exists that may cast significant doubt on the Company's ability to continue as a going concern. Our opinion is not qualified in respect of this matter. Note 3.17 Going Concern: The Company has adequate resources to continue its operations for foreseeable future. For this reason, the directors continue to adopt the going concern basis in preparing the accounts. The resources of the company are sufficient to meet the present obligation of its existing businesses and operations.

QGBALLPEN

Qualified Opinion: The investment in share and share money deposits in private limited companies TK. 95.55 million in carry forward balance for number of years without fetching any return against Note-6.00 (A). Note 6.00 (A): Balance of Investment in share and share money Deposits in Pvt. Ltd. as on 30-Jun-19 Tk. 95,552,380 and as on 30-Jun-18 Tk. 95,552,380.

PRIMETEX

Emphasis of Matter: Without modifying our opinion, we draw attention to the matter that the company yet not obtained IFRS 9 "Financial Instruments". Hence the company recognize fair value of investment (share of Listed company) through other comprehensive income rather to recognize in profit or loss.

IMAMBUTTON

Emphasis of Matter: Deferred tax has not been calculated in accordance with IAS-12 "Income Taxes". The company calculated deferred tax without considering the provision of para 34 of said standards. Disclosure made in the financial statements were satisfactory to depict the state of the company's affairs of its operations but the company did not completely fulfill the requirement of IAS 12 "Income Taxes".

MEGCONMILK

Emphasis of Matter: 1. Deferred tax has not been applied by the company. 2. Amounting Taka 1,673,604 has been presented as dividend payable which are declared and approved earlier year, as per regulation 28 of Dhaka Stock Exchange (Listing Regulation 2015) declared dividend are supposed to be paid within 30 days of approval.

MEGHNAPEP

Qualified Opinion: The evidence with respect to inventory having a carrying amount of Taka 22,637,134 was limited, as we could not observe the Physical inventory count as of June 30, 2019. As a result, we could not confirm the quantity of inventories and value thereof and not confirm whether any adjustment is necessary which may have material effect on the Financial Statements. Amounting Taka 12,000,000 has been presented as dividend payable which are declared and approved earlier year, as per regulation 28 of Dhaka Stock Exchange (Listing Regulation 2015) declared dividend are supposed to be paid within 30 days of approval.

ICB

Emphasis of Matter: We draw attention to Note: 5.6 of the financial statements, which describes that the provision shortfall on marketable securities stood at TK 2,532,155,424 as on the date of statement of financial position. The Bangladesh Bank, in line with the Bangladesh Securities and Exchange Commission press release no. BSEC/Mukhopatro (3rd edition)/2011/60 dated 19 December 2018, has extended the time limit up to 31 December 2020 to provide the shortfall of the provision for marketable securities. Our opinion is not qualified in respect of this matter. Note 5.6 Excess/ (Short) Provision balance of Provision and Reserve for investment in Securities of ICB Consolidated as on 2019 was Taka (3,212,163,259) & as on 2018 was Taka 1,042,716,830 and of ICB Solo as on 2019 was Taka (2,532,155,424) & as on 2018 was Taka 1,426,381,654.

SHYAMPSUG

Qualified Opinion: 1. Due to the company has been suffering recurring loss from operation that effectively made net capital deficiency of Tk. (4,339,830,240) in total and Tk. (867.97) per share at the year end. 2. The company is only able to earn Tk. 51,420.72 (average) per M. Ton by selling of sugar though cost of production of sugar per M. Ton is Tk. 228,000 which effectively creates net loss of Tk. 176,579.28 per M.Ton. 3. During the course of our audit, we observed that the company allowed TK. 15,441,850 as trade discount on sales. Such amount has been adjusted against PF liability and Welfare Fund liability without deducting sales revenue. The discount was given to increase the cash flow of the company to maintain the daily operating expenses. In view of management response in this respect, the management informed us that TK. 6,479,101 has been reimbursed from employees as per consent of Employees Union. However, no copy of such agreement with Employees' Union or head office approval document has been presented to us in respect of such arrangement. If the financial statements were correctly dealt with the discount then the loss for the year would increase by the same amount. The management was unable to provide proper approval in this adjustment. 4.

According to the company published policy in respect of depreciation of PPE. The company is charging depreciation a rate of 2.5% to 25%. However, the charging of depreciation for year was the same of previous year without making reference to the rate or useful life of each assets. The IAS 16(Para- 43) require to depreciate each item separately based on useful life. 5. Fixed Asset Register was not updated for a long period of time leading to incompleteness of records and poor control over Fixed Assets. 6. The Transaction should be maintained and recorded in daily basis. But, during the course of our audit, we observed that the recording of transaction was made at certain interval possibly monthly or yearly basis. As such that the value of voucher is so high. Sometimes this amount is than more 56 crore. 7. The company does not maintain separate ledger for each head of Accounts based on the daily basis transaction except cash and bank book leading to difficulties in audit. 8. The accompanying financial statements have been prepared assuming that the company will continue as going concern but considering the recurring loss, high production cost net capital deficiency by TK. 434 crore has exposed significant doubt, without government support, of the survival of the company as going for foreseeable future. 9. The Company has not yet introduced deferred tax, which is non-compliance of IAS 12. 10. The collateral detail interest rate and other qualitative information of long-term loan were not disclosed in the notes of the financial statements. The security exchange rules 1987 (Para 9 and 10) states that the loan balance must contain some non-financial information e.g. interest rate, class of liability, security arrangement and so on.

RENWICKJA

Emphasis of Matter: As disclosed in note # 3.12, the Company recognized Tk. 499,287,603 as due from various Sugar Mills (Balance of Panchagarh Sugar Mills Ltd was Tk 21,969,521; Thakurgaon Sugar Mills Ltd was Tk 32,185,977; Setabgong Sugar Mills Ltd was Tk. 37,825,714; etc) under Bangladesh Sugar and Food Industries Corporation (BSFIC) in the statement of financial Position as on 30 June 2019. We noted that all these balances remained unreconciled as of 30 June 2019. During the audit, we sent confirmation to these inter-companies as part of our audit procedures to obtain sufficient appropriate evidence. As of the date of auditor's report, we are yet to receive any responses against these confirmations sent. 1. As disclosed in note # 2.02, the Financial Statements of the Company have been prepared on the assumption that the Company is a going concern and will continue its business for the foreseeable future. Hence, it is assumed that the Company has neither intention nor need to liquidate or curtail materially the scale of its operation. During the year, the Company has made net profit of Tk. 8,426,345 and the accumulated loss stood at Tk. 59,538,609 as on 30 June 2019. Note 2.02 Going Concern: The financial statements of the company have been prepared on the assumption that the entity is a going concern and will continue its business for the foreseeable future. Hence it is assumed that the entity has neither intention nor need to liquidate or curtail materially the scale of its operation. During the year the entity has, earned net profit of Tk. 8,426,345 and the accumulated loss as on June 30, 2019 stood at Tk. (59,538,609). 1. As disclosed in note # 15.00, the Company recognized deferred tax liability of Tk 1,364,260 in the statement of financial position at the reporting date. This balance was brought forward from Tk. 487,293 which was recognized during the year 2016-2017 and prior to that date no deferred tax liability/asset was recognized by the Company. Note 15.00 Deferred Tax Liability as on 30-06-2019 was Tk. 1,364,260 and on 30-06-2018 was Tk. 1,058,906.