

Daily Market Update

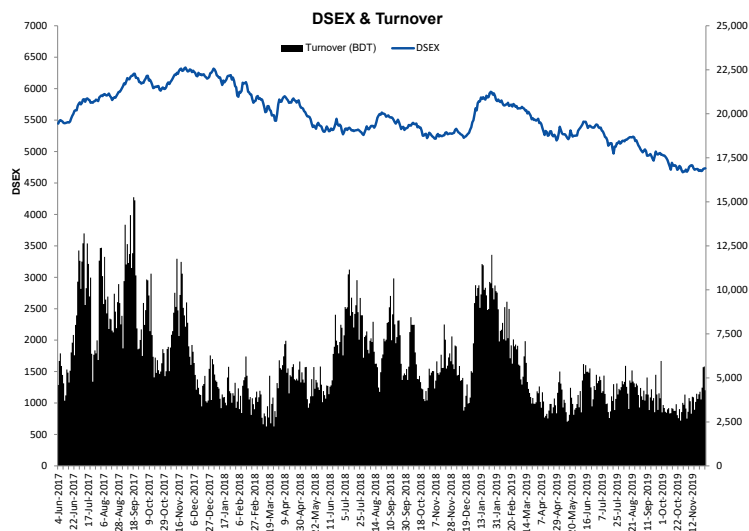
Market closed in green today. The benchmark index DSEX (+0.02%) gained 1.09 points and closed at 4,731.44 points. Both the blue chip index DS30 (+0.08%) and the Shariah-based index DSES (+0.02%) closed in green. The large cap sectors showed negative performance today except NBFIs (+0.91%) and Engineering (+0.03%). Power experienced the highest loss of 0.89% followed by Telecommunication (-0.57%), Pharmaceuticals (-0.57%), Food & Allied (-0.39%), and Banks (-0.20%). Turnover stood at BDT 4.3 billion (USD 51.8 million). Fortune Shoes Limited (-2.5%) was the most traded share with a turnover of BDT 147.8 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap	% of Total Mcap	Sectoral Turnover	% of Total Turnover
Banks	1,344.35	1,347.04	-2.69	-0.20%	30	548,704.5	18.24%	464.1	10.94%
NBFIs	1,676.53	1,661.41	15.12	0.91%	23	154,992.6	5.15%	306.2	7.21%
Mutual Funds	599.05	603.20	-4.15	-0.69%	37	31,131.3	1.04%	69.7	1.64%
General Insurance	1,945.82	1,920.89	24.93	1.30%	35	52,706.8	1.75%	450.5	10.62%
Life Insurance	2,111.16	2,107.33	3.83	0.18%	12	58,862.2	1.96%	50.1	1.18%
Telecommunication	4,447.92	4,473.38	-25.46	-0.57%	2	447,046.5	14.86%	85.4	2.01%
Pharmaceuticals	2,670.39	2,685.64	-15.25	-0.57%	32	503,646.2	16.75%	515.3	12.14%
Fuel & Power	1,643.84	1,658.60	-14.76	-0.89%	20	407,504.7	13.55%	320.4	7.55%
Cement	1,258.07	1,188.41	69.66	5.86%	7	76,509.2	2.54%	83.5	1.97%
Services & Real Estate	930.26	929.21	1.06	0.11%	8	36,449.0	1.21%	54.0	1.27%
Engineering	2,452.92	2,452.22	0.70	0.03%	39	159,180.1	5.29%	538.3	12.69%
Food & Allied	13,395.65	13,448.41	-52.76	-0.39%	17	247,410.1	8.23%	155.6	3.67%
IT	1,692.18	1,686.05	6.13	0.36%	9	18,709.1	0.62%	74.0	1.74%
Textiles	1,105.09	1,103.45	1.63	0.15%	55	107,174.3	3.56%	639.6	15.07%
Paper & Printing	5,420.06	5,408.38	11.68	0.22%	3	10,362.7	0.34%	12.7	0.30%
Tannery	1,848.48	1,838.32	10.17	0.55%	6	19,905.1	0.66%	185.9	4.38%
Jute	12,319.66	12,522.98	-203.33	-1.62%	3	2,722.7	0.09%	11.3	0.27%
Ceramics	488.92	479.56	9.35	1.95%	5	23,614.2	0.79%	62.9	1.48%
Miscellaneous	1,816.56	1,818.62	-2.06	-0.11%	13	100,795.0	3.35%	163.8	3.86%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Zahintex Industries Ltd	4.40	10.0%	.9
LafargeHolcim Bangladesh Limited	38.50	10.0%	76.9
Alif Manufacturing Company Ltd.	7.70	10.0%	66.6
Bangas Ltd.	207.20	10.0%	59.4
Metro Spinning	6.80	9.7%	10.9
Fu-Wang Ceramic	8.00	9.6%	11.9
Zaheen Spinning Limited	8.00	9.6%	17.3
Yeakin Polymer Limited	10.60	9.3%	7.9
Familytex (BD) Limited	2.50	8.7%	5.7
Paramount Insurance	26.30	8.2%	101.1

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Meghna Condensed Milk	10.50	-8.7%	.3
Power Grid Co. of Bangladesh Ltd.	54.20	-8.1%	44.4
Silco Pharmaceuticals Limited	30.10	-6.5%	10.0
Shepherd Industries Limited	29.50	-6.3%	2.9
S. Alam Cold Rolled Steels	21.80	-6.0%	2.5
Matin Spinning Mills Ltd.	31.10	-5.8%	.1
Meghna Pet Industries	8.00	-4.8%	.2
ICB Employees Provident MF 1 Scheme 1	4.50	-4.3%	.6
BIFC	2.50	-3.8%	.1
Aramit Cement Limited	15.40	-3.8%	.0

Most Traded Share	Close	Δ%	Turnover (mn BDT)
Fortune Shoes Limited	26.80	-2.5%	147.8
National Tubes	138.30	-1.3%	145.6
Square Pharmaceuticals	208.30	-1.7%	102.6
Paramount Insurance	26.30	8.2%	101.1
Lankabangla Finance	19.50	6.0%	100.8
Kattali Textile Limited	13.60	3.8%	98.2
LafargeHolcim Bangladesh Limited	38.50	10.0%	76.9
Doreen Power Generations and Systems Limited	63.00	1.9%	74.6
Alif Manufacturing Company Ltd.	7.70	10.0%	66.6
The Premier Bank	13.10	1.6%	63.4



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Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,731.44	4,730.35	1.09	0.02%	-12.15%
DS30	1,647.71	1,646.34	1.37	0.08%	-12.39%
DSES	1,082.16	1,081.98	0.18	0.02%	-12.22%

	Advanced	Declined	Unchanged	Total
All Category	162	131	50	343
A Category (Equity)	111	102	39	252
B Category (Equity)	22	8	4	34
N Category (Equity)	5	4	0	9
Z Category (Equity)	24	17	7	48
Mutual Funds	4	14	19	37
Corporate Bonds	1	0	0	1

Market Stat	Today	Last Day	% Change	
Mcap	Mn BDT	3,567,038.1	3,571,178.3	-0.1%
	Mn USD	42,909.2	42,959.0	
Turnover	Mn BDT	4,302.0	5,642.2	-23.8%
	Mn USD	51.8	67.9	
Volume	Mn Shares	187.6	215.8	-13.0%
Trade		129,128	150,229	-14.0%

Top Ten Market Cap	Mcap (mn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	429.7	14.3%	29.75	12.3x	10.1x
British American Tobacco Bangladesh Company Limited	193.1	6.4%	23.27	22.4x	7.9x
Square Pharmaceuticals	175.9	5.8%	102.56	13.7x	2.7x
United Power Generation & Distribution Company Ltd	138.4	4.6%	35.32	16.3x	9.4x
Renata Ltd.	103.2	3.4%	18.65	26.2x	5.7x
BRAC Bank	71.5	2.4%	62.95	13.9x	1.9x
Berger Paints	65.4	2.2%	2.48	28.2x	9.8x
Investment Corporation of Bangladesh	63.2	2.1%	1.36	NM	2.2x
Marico Bangladesh Limited	53.6	1.8%	1.53	21.4x	36.4x
LafargeHolcim Bangladesh Limited	44.7	1.5%	76.87	24.8x	2.9x

Top Ten Free Float Mcap	Free Float Mcap (mn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	115.3	9.5%	102.56	13.7x	2.7x
British American Tobacco Bangladesh Company Limited	51.1	4.2%	23.27	22.4x	7.9x
Renata Ltd.	50.4	4.2%	18.65	26.2x	5.7x
Grameenphone Ltd.	43.0	3.6%	29.75	12.3x	10.1x
BRAC Bank	39.9	3.3%	62.95	13.9x	1.9x
Beximco Pharmaceuticals	28.2	2.3%	14.10	10.4x	1.2x
Olympic Industries	26.5	2.2%	.00	18.8x	5.8x
Eastern Bank	19.1	1.6%	37.89	8.5x	1.2x
Pubali Bank	18.3	1.5%	2.20	7.0x	0.9x
National Bank	16.5	1.4%	5.93	7.1x	0.5x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
Atlas Bangladesh Ltd.	119.00	119.00	0.54	4,500	1
BRAC Bank	58.00	58.00	14.50	250,000	1
City Bank	24.60	24.60	6.77	275,000	1
Coppertech Industries Limited	27.00	27.00	1.35	50,000	1
Power Grid Co. of Bangladesh Ltd.	64.10	64.10	30.13	470,000	1
Saiham Cotton Mills Limited	23.70	23.70	0.95	40,000	1
Shurwid Industries Limited	31.00	31.00	3.10	100,000	1
Square Pharmaceuticals	213.10	213.10	1.07	5,000	1

Corporate Actions: Upcoming Record Dates

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
MPETROLEUM	Meghna Petroleum Limited		0.0%	150.0%	30-Jun-2019	1-Dec-2019
MEGHNACEM	Meghna Cement Mills Ltd.		5.0%	10.0%	30-Jun-2019	2-Dec-2019
BPML	Bashundhara Paper Mills Limited		0.0%	15.0%	30-Jun-2019	2-Dec-2019
PHARMAID	Pharma Aids		0.0%	50.0%	30-Jun-2019	2-Dec-2019
SAMORITA	Samorita Hospital Limited		5.0%	10.0%	30-Jun-2019	2-Dec-2019
LRGLOBMF1	LR Global Bangladesh Mutual Fund One		0.0%	4.0%	30-Sep-2019	2-Dec-2019

Important DSE News

ISLAMIBANK

Referring to their earlier news disseminated by DSE on 15.09.2019, regarding Issuance of 3rd Mudaraba Redeemable Non-Convertible Subordinated Bond; the Company has informed that the BSEC has given its consent under the provisions of the Securities and Exchange Commission

(Private Placement of Debt Securities) Rules, 2012 for raising of Tier-II Capital by Islami Bank Bangladesh Limited through issuance of Mudaraba Redeemable Non-Convertible Subordinated Bond of Tk. 6,000.00 million only (First Tranche of Third Bond of Tk. 12,000.00 million) under private placement in order to strengthen Capital Base of the Company. The consent has been accorded subject to compliance with the relevant laws and regulatory requirements and shall adhere to the conditions by BSEC under Section 2CC of the Securities and Exchange Ordinance, 1969.

POWERGRID

The Company has informed that the BSEC has given its consent for raising the paid-up capital of the Company from existing Tk. 460,91,29,910.00 to Tk. 712,72,69,910.00 only through issuance of 25,18,14,000 ordinary shares of Tk. 10.00 each totaling Tk. 251,81,40,000.00 only to Bangladesh Power Development Board (BPDB), one of the existing shareholders of the company, in non-cash consideration against Vendor's Agreement.

PTL

The Company has informed that the Board of Directors has decided to invest a Company whose name would be Paramount dredging Limited with its sister concern Paramount Holdings Limited where paramount Textile Ltd. will hold 65 % stake of the proposed company. On query of DSE about amount of paid- up capital, investment and profitability after investing the proposed Company, the Company further informed that initially the Paid-up capital of Paramount Dredging Limited would be Tk. 1.00 crore and they will invest Tk. 65.00 Lac only (65%) in the proposed company. They also informed that the proposed Company will be registered immediately and future earnings depends on project size or value.

SAVAREFR

Qualified Opinion: 1. The company did not call AGM since financial year 2016-2017. AS such, neither the company's financial statements were approved by shareholders through ordinary resolution, nor auditors' appointment for the year June 30, 2017 nor June 30, 2018 was confirmed by the company's shareholders. However, the board of directors has given their consent to approve the financial statements for the year June 30, 2017 and June 30, 2018 in the company's board meeting. The board of directors have filled up the casual vacancy of statutory auditors by appointing current auditors for the financial year 2018-2019 in the company's 304th board meeting held on April 04, 2019 even though the current auditors has completed his consecutive three years statutory auditor. The Securities Law and DSE listing regulation, 2015 requires to changes the statutory auditor after exceeding consecutive three years. 2. The accompanying financial statements have been prepared assuming that the company will continue as going concern. The company has been suffering from running operation losses & subsequent net loss since 2013-14 recurring losses from operations poor current ratio (stood 0.46:1) and deficiency of production capacity by 51.42% that raise doubt about its ability to continue as going concern. 3. According to labour act the company is supposed to pay WPPF liability within 09 months form the accounting year end. The company is carrying forward WPPF liability of taka 729,503 at the year.

INTECH

Matter of Emphasis: Without modifying our opinion we draw attention to the matter described below: a) Calculation of Deferred tax and provision for current tax is not in accordance with IAS 12 "Income Taxes". b) An amount of Taka 28,652,000 has been shown as "Non-current asset-Intech resort project" for which management disclosed in the notes to the financial statements in note no. 6.00 that "The project could not yet to be started due to some land related complication.

Under the circumstances the plan of resort has been suspended and money against the land registered baina which took place earlier year (2015-2016) was taken back in 2016-17. The balance amount of registered baina amounting to Taka 20,000 under process of recovery" which in our opinion is doubtful of recovery. Note 6.00 Non-Current Assets - Intech Resort Project: Balance of Non-Current Assets Intech Resort Project for the year ended on 2018-2019 was Taka 28,652,000 and for the year ended 2017-2018 was Taka 28,652,000. This represents land purchase with a view to develop and sale as resort. The project could not yet to be started due to some land related complication. Under the circumstances the plan of resort has been suspended and money against the land registered baina which took place earlier year (2015-2016) was taken back in 2016-2017. The balance amount of investment under process of recovery.

JAMUNAOIL

Qualified Opinion: 1) To settle outstanding dues of Bangladesh Petroleum Corporation the Company encashed FDR with various banks prior to maturity incurring Loss of Interest to the tune of Tk. 171,481,506. The principal amount of FDR (encashed) was Tk. 2,100,000,000. Out of total loss of Tk. 171,481,506 an amount of Tk. 4,129,452 was accounted for as accrued interest during the year 2016-17 and Tk.75,625,000 during 2017-18. Balance Tk. 91,727,054 on account of 2018-19 has not been taken into account. In consequence of such premature encashment Company's retained earnings was overstated during afforested previous years by the amount of loss of interest income. (Note -5.2) Note 5.2: Balance of Long term investment in FDR as on 30 June 2019 was Taka 0.00 (Nil) and as on 30 June 2018 was Taka 6,806,720,000. During the year entire FDR was encashed, a portion of such encashment was reinvested and other portion was utilised to settle Bangladesh Petroleum Corporation (BPC)'s dues. 2) The Company's Trade Receivables are carried forward in the statement of financial position amounting to Tk. 1,722,013,356. Out of which Tk. 134,578,955, Tk. 50,100,405 and Tk. 5,770,737 remaining as receivable from Power Development Board, Bangladesh Chemical Industries Corporation and Chattogram City Corporation respectively since long time. The company made correspondences with parties to realize the outstanding balances but the amount are yet to be realized. (Note-8) Note 8.1: Balance of Accounts Receivable as on 30 June 2019 was Taka 1,722,013,356 and as on 30 June 2018 was Taka 1,763,365,017. 3) Property, Plant and Equipment of Tk.1,742,516,415 has carried forward without maintaining any comprehensive records. We could not obtain sufficient appropriate audit evidence relating to the location and existence of opening carrying amount of Property, Plant and Equipment. (Note-3.1) Note 3.1: Balance of Property, Plant & Equipment at cost as on 30 June 2019 was Taka 1,997,824,576 and as on 30 June 2018 was Taka 1,742,516,415 and written down balance of Property, Plant & Equipment as on 30 June 2019 was Taka 948,870,607 and as on 30 June 2018 was Taka 805,413,280. 4) The Company has total 59.9703 acres of freehold land valued at BDT. 2,78,49,084, out of which land measuring 2.30 acres are yet to be registered in the name of the company. Out of the freehold land, land measuring 1.7116 acres possessed by Chittagong Dry Dock Ltd and 0.3859 acres of land acquired by the Chittagong Development Authority for constructing Airport road without payment of compensation to the company. The company has no agreement with Chittagong Dry Dock Ltd for using possession although the company sent several reminders to Chittagong Dry Dock Ltd. to execute lease agreement or to return the possession of the land. Eventually, the Company is deprived of economic benefit that could have been generated from said asset (Note-3.2) Note 3.2 Freehold land: Out of total 59.9703 acres of freehold land, 2.30 acres are yet to be registered in the name of the company. Land measuring 1.7116 acres possessed by Chittagong Dry Dock Ltd and 0.3859 acres of land has already acquired by the was Taka (20,558,964,631) and as on 30 June 2018 was Taka (30,192,870,597). (ii) The company operates an unfunded Gratuity Scheme for the permanent employees in accordance with gratuity rules. The gratuity liability as on 30 June 2019 stand at TK. 863,750,437. Although the

company is fully covered as far as risk is concerned the provision has not been created in accordance with Actuarial computation as required by IAS-19. Chattogram Development Authority for constructing airport road without paying any compensation to the company. Emphasis Matter: Without qualifying our opinion, we draw attention to the following: i) No balance confirmation certificate has returned by the related party to verify the amount of BDT. (20,558,964,631) of related party balance. (Note 34.00) Note 34 (b): Balance of Transaction with BPC & Other Related Companies as on 30 June 2019 (Note 14.00) Note 14: Balance of Provision for Gratuity as on 30 June 2019 was Taka 863,750,437 and as on 30 June 2018 was Taka 857,076,990. iii) As per The Bangladesh Labour Act, 2006 (amended in 2013), section 234 sub-section (1) clause (b), requires a company pay five percent (5%) of the net profit before WPPF of the previous year at the proportion of 80:10:10 to respectively the Participation Fund, Welfare Fund and Workers Welfare Foundation Fund. During the company has paid to the Participation Fund and Welfare Fund only but the company has not paid to Workers Welfare Foundation Fund amount since long. (Note -16.2.1) Note 16.2.1: Balance of Workers' Profit Participation & Welfare Fund as on 30 June 2019 was Taka 197,173,168 and as on 30 June 2018 was Taka 210,294,137.

GENNEXT

BSEC News: BSEC has fined Tk. 5.00 lac each to Tauhidul Islam Chaudhury (Chairman), Mr. Javed Opgenhaffen, (Managing Director), Mr. Mohd. Akter, (Director), Rajiv Sethi (Director), Mr. Mark Niranjana Chowdhury (Nominated Director by New England Equity Ltd.), Kazi Refayet Rahman (Nominated Director by A. J. Corporation Ltd.) and Mr. Wahid Salam (Director), for non-compliance of securities laws.

LEGACYFOOT

Qualified Opinion: 1. Long term loan, note # 14, discloses a balance of Tk. 235,216,094 against bank loan. But outstanding balance as of 30 June 2019 stands at Tk. 254,056,979 as per loan statements made available to us. The difference of Tk. 18,840,885 has not been recognised as liability in the financial statements. As such, profit for the year has been overstated and conversely, loan liability has been understated to that extent. Note 14.00: Balance of Long Term Loan from Rupali Bank as on 30.06.2019 was Taka 235,216,094 and as on 30.06.2018 was Taka 208,350,588. As per Bank record outstanding amount was Tk. 254,056,979 but the borrower has applied to the Bank for exemption or remission of interest and re-schedule the payment by 5 years. 2. Transfer of Workers Profit Participation Fund (WPPF) previously made (30 June 2018) attributable to Workers Welfare Foundation Fund established under section of 14 of Bangladesh Workers Welfare Foundation Act, 2006, has not been made in accordance with section 234 of Labor Act 2006 (amended in 2013). The Company failed to make the required payments within nine (9) months of finalizing the financial statements which is a violation of Section 234 of Labour Act 2006. 3. Provision for income tax for the year under audit has not been made in consideration of provisions 6th Schedule (Part A) of Income Tax Ordinance 1984, resulting a short provision of Tk. 6,355,767. Thus, net profit after tax and Earnings Per Share (EPS) have been overstated to that extent. 4. Statement of changes in equity discloses that the company paid dividend (cash & interim) amounting to Tk. 12,226,942 during the year under audit but from the documents produced to us we confirmed only Tk. 3,531,431. Thus, payment of remaining balance Tk. 8,695,511 remained unverified. Emphasis Matter: We draw users' attention to the note # 2.31 to the financial statements which describes that all transactions of the company made during the year under audit have been done by cash. Management, however, has been able to provide us with appropriate evidence during execution of audit. Our opinion is not modified in respect of the matter. Note 2.31 Limitation in operation: The company does not have a congenial working relationship with the Bank and consequently no direct export or L/C operation can be done. As a result, all

transactions of company is made by cash.