

Daily Market Update

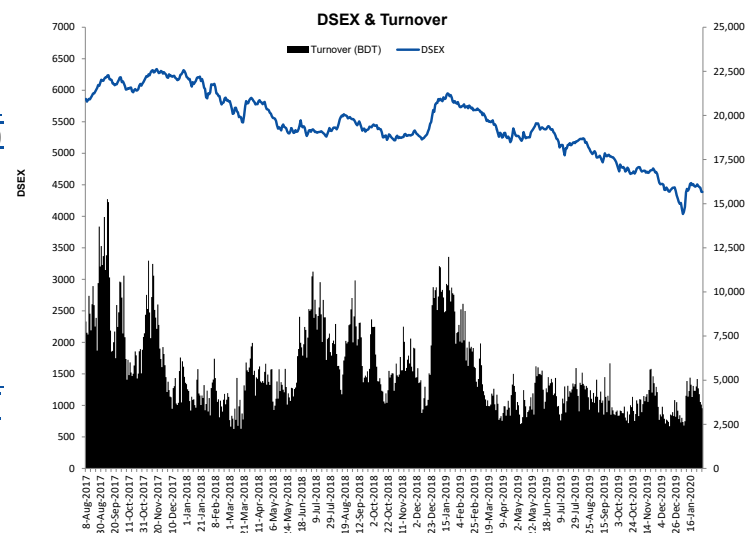
Market closed in red today. The benchmark index DSEX (-0.07%) lost 3.21 points and closed at 4,385.55 points. The blue chip index DS30 (-0.06%) and the large cap index CDSET (-0.33%) closed in red today while the Shariah-based index DSES (+0.38%) closed in green. All the large cap sectors showed negative performance today except Pharmaceuticals (+0.34%) and Engineering (+0.78%). NBFIs experienced the highest loss of 1.44% followed by Telecommunication (-0.74%), Banks (-0.65%), Food & Allied (-0.60%) and Power (-0.45%). Turnover stood at BDT 3.4 billion (USD 41 million). LafargeHolcim Bangladesh Limited (+5.4%) was the most traded share with a turnover of BDT 199.9 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap	% of Total Mcap	Sectoral Turnover	% of Total Turnover
Banks	1,218.81	1,226.75	-7.94	-0.65%	30	496,785.6	17.83%	175.6	5.26%
NBFIs	1,479.35	1,500.94	-21.59	-1.44%	23	136,765.3	4.91%	58.1	1.74%
Mutual Funds	596.11	600.73	-4.62	-0.77%	37	30,978.9	1.11%	53.2	1.60%
General Insurance	1,911.77	1,899.70	12.06	0.63%	35	51,652.4	1.85%	176.0	5.28%
Life Insurance	2,036.45	2,035.72	0.73	0.04%	12	56,779.1	2.04%	34.6	1.04%
Telecommunication	3,603.80	3,630.60	-26.80	-0.74%	2	362,206.5	13.00%	89.1	2.67%
Pharmaceuticals	2,537.71	2,529.05	8.65	0.34%	32	478,622.1	17.18%	597.3	17.90%
Fuel & Power	1,561.02	1,568.06	-7.04	-0.45%	19	386,973.8	13.89%	225.2	6.75%
Cement	1,371.09	1,327.98	43.11	3.25%	7	83,383.8	2.99%	223.7	6.71%
Services & Real Estate	955.48	965.58	-10.10	-1.05%	8	38,147.6	1.37%	39.2	1.17%
Engineering	2,183.71	2,166.77	16.95	0.78%	39	142,241.9	5.11%	569.7	17.07%
Food & Allied	13,110.78	13,190.46	-79.68	-0.60%	17	242,111.8	8.69%	145.8	4.37%
IT	1,935.47	1,894.48	40.99	2.16%	9	21,399.0	0.77%	133.1	3.99%
Textiles	1,036.97	1,043.72	-6.75	-0.65%	56	104,663.8	3.76%	347.7	10.42%
Paper & Printing	5,011.44	4,944.84	66.60	1.35%	3	9,581.4	0.34%	14.2	0.43%
Tannery	1,815.36	1,844.12	-28.76	-1.56%	6	19,434.7	0.70%	52.5	1.57%
Jute	9,467.85	9,611.03	-143.19	-1.49%	3	2,092.4	0.08%	50.0	1.50%
Ceramics	454.47	455.76	-1.29	-0.28%	5	23,043.3	0.83%	54.1	1.62%
Miscellaneous	1,789.28	1,777.09	12.18	0.69%	13	99,281.2	3.56%	297.2	8.91%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
SK Trims & Industries Limited	55.30	9.9%	152.2
Orion Infusion	60.00	9.9%	116.7
LafargeHolcim Bangladesh Limited	46.70	5.4%	199.9
Central Insurance	25.80	5.3%	7.0
Genex Infosys Limited	58.40	4.8%	11.7
Oimex Electrode Limited	26.90	4.7%	89.7
Golden Harvest Agro Industries Ltd.	18.30	4.6%	73.6
Bangladesh General Insurance Co.	26.40	4.3%	.7
Intraco Refueling Station Limited	14.80	4.2%	40.1
Orion Pharma Ltd.	28.60	4.0%	7.3

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Metro Spinning	7.30	-6.4%	9.5
Samata Leather	165.20	-6.0%	21.3
AB Bank Limited	7.20	-5.3%	1.7
Zahintex Industries Ltd	3.60	-5.3%	.1
Saiham Cotton Mills Limited	16.50	-5.2%	12.4
Familytex (BD) Limited	1.90	-5.0%	.4
Zeal Bangla Sugar Mills	38.30	-4.7%	.1
Mithun Knitting	8.10	-4.7%	.6
BIFC	2.20	-4.3%	.0
Tosrifa Industries Limited	11.50	-4.2%	1.3

Most Traded Share	Close	Δ%	Turnover (mn BDT)
LafargeHolcim Bangladesh Limited	46.70	5.4%	199.9
SK Trims & Industries Limited	55.30	9.9%	152.2
Orion Infusion	60.00	9.9%	116.7
Beacon Pharmaceuticals Limited	50.20	2.7%	103.3
ADN Telecom Limited	46.30	2.9%	98.0
S. S. Steel Limited	12.50	1.6%	89.8
Oimex Electrode Limited	26.90	4.7%	89.7
Indo-Bangla Pharmaceuticals Limited	22.20	-1.8%	74.3
Golden Harvest Agro Industries Ltd.	18.30	4.6%	73.6
Bangladesh Shipping Corporation	46.20	1.5%	72.8



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Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,385.55	4,388.76	-3.21	-0.07%	-1.51%
DS30	1,491.57	1,492.46	-0.88	-0.06%	-1.44%
DSES	1,016.27	1,012.42	3.86	0.38%	1.64%
CDSET	888.97	891.92	-2.95	-0.33%	-1.20%

	Advanced	Declined	Unchanged	Total
All Category	124	166	63	353
A Category (Equity)	92	116	46	254
B Category (Equity)	17	27	4	48
N Category (Equity)	2	1	0	3
Z Category (Equity)	13	22	13	48
Mutual Funds	1	14	19	34
Corporate Bonds	0	1	1	2

Market Stat		Today	Last Day	% Change
Mcap	Mn BDT	3,357,457.5	3,363,338.7	
	Mn USD	40,388.0	40,458.8	-0.2%
Turnover	Mn BDT	3,409.0	3,619.8	-5.8%
	Mn USD	41.0	43.5	
Volume	Mn Shares	120.9	133.0	-9.1%
Trade		137,782	137,782	0.0%

Top Ten Market Cap	Mcap (mn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	345.9	12.4%	60.26	10.0x	8.2x
British American Tobacco Bangladesh Company Limited	186.5	6.7%	24.51	21.6x	7.7x
Square Pharmaceuticals	166.4	6.0%	39.46	12.6x	2.5x
United Power Generation & Distribution Company Ltd	129.5	4.7%	25.69	15.9x	8.8x
Renata Ltd.	96.5	3.5%	4.18	23.8x	5.3x
Berger Paints	65.1	2.3%	10.86	26.8x	9.7x
Investment Corporation of Bangladesh	56.4	2.0%	1.80	NM	2.7x
BRAC Bank	56.1	2.0%	44.06	10.9x	1.5x
LafargeHolcim Bangladesh Limited	54.2	1.9%	199.94	30.1x	3.6x
Marico Bangladesh Limited	53.0	1.9%	4.59	20.3x	36.0x

Top Ten Free Float Mcap	Free Float Mcap (mn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	109.1	9.7%	39.46	12.6x	2.5x
British American Tobacco Bangladesh Company Limited	49.3	4.4%	24.51	21.6x	7.7x
Renata Ltd.	47.1	4.2%	4.18	23.8x	5.3x
Grameenphone Ltd.	34.6	3.1%	60.26	10.0x	8.2x
BRAC Bank	31.3	2.8%	44.06	10.9x	1.5x
Olympic Industries	28.2	2.5%	14.96	19.5x	6.2x
Beximco Pharmaceuticals	25.6	2.3%	7.17	9.0x	1.1x
LafargeHolcim Bangladesh Limited	19.2	1.7%	199.94	30.1x	3.6x
Eastern Bank	18.3	1.6%	.75	8.2x	1.1x
Pubali Bank	17.3	1.5%	1.13	6.6x	0.9x

Block Trade	Maximum Price	Minimum Price	Turnover (mn)	Quantity	Trade
Dutch-Bangla Bank	70.10	70.10	0.70	10,000	1
Fine Foods Ltd	47.80	47.80	1.91	40,000	1
Karnaphuli Insurance	25.30	25.30	0.89	35,000	1
Meghna Cement	56.80	56.80	0.57	10,000	1
Pioneer Insurance	42.00	42.00	3.15	75,000	1
Saiham Cotton Mills Limited	17.80	17.80	1.78	100,000	1
Silco Pharmaceuticals Limited	26.80	26.80	30.31	1,131,000	3
SK Trims & Industries Limited	52.50	51.00	29.57	565,000	4
Standard Ceramic	600.00	595.00	3.59	6,000	4

Important DSE News

SSSTEEL

(Q2 Un-audited): EPS was Tk. 0.46 for October-December 2019 as against Tk. 0.43 for October-December 2018; EPS was Tk. 1.15 for July-December 2019 as against Tk. 0.78 for July-December 2018. NOCFPS was Tk. 0.69 for July-December 2019 as against Tk. 0.01 for July-December 2018. NAV per share (with revaluation) was Tk. 17.08 as on December 31, 2019 and Tk. 15.93 as on June 30, 2019. NAV per share (without revaluation) was Tk. 14.56 as on December 31, 2019 and Tk. 13.39 as on June 30, 2019.

PROGRESLIF

Qualified Opinion: a) As explained in note 14.03 of the financial statements, the Company has 51% shareholding in its subsidiary company namely Galaxy Capital Ltd. and the investment in shares of

this company was Taka 30,855,000. According to BFRS 10, para 04: "Consolidated Financial Statements", the subsidiary should have been consolidated because it is controlled by the Company. The Company has not consolidated the financial statements of subsidiary (Galaxy Capital Ltd.) resulting in violation of that particular BFRS. If Galaxy Capital Ltd. had been consolidated, elements in the accompanying financial statements would have been materially affected; Note 14.03-Investment in equity shares of the companies: Investment in Equity shares of 51% of Galaxy Capital Limited (a member of the Chittagong Stock Exchange) as on 31-12-2016 was Tk.30,855,000 and as on 31-12-2015 was Tk.30,855,000 b) No computation has been made for current tax as per Schedule IV of the Income Tax Ordinance, 1984. As disclosed in note 10.01 in the accompanying financial statements, income tax provision has been made on lump sum basis. As the amount of provision could not be calculated in accordance with the provision of Schedule IV of the Income Tax Ordinance, 1984, hence profit may be overstated or understated to the extent of such provision Note 10.01-Income tax payable: Provision made during the year 31-12-2016 was Tk.10,000,000 and during the year 31-12-2015 was Tk.10,000,000. c) The Company has incurred an excess of 16% management expenses in the year 2016 from allowable limit mentioned in Section 62 of the Insurance Act, 2010. Emphasis of matter: Without further modifying our opinion we draw attention to following notes to the financial statements: a) As disclosed in Annexure A of note 14 of the financial statements, management describes the reason for not charging depreciation on Flats at Eastern Arzoo, 61, Bijoyagar, Dhaka (2nd, 4th, 8th floor (2732 sq.ft.) & 7th floor, (unit 7/1-8, 3777 sq. ft.) Note Annexure-A: Based on the straight-line method of depreciation and annual rate of 2.5% for the building as per the company policy, management has decided not to charge depreciation of Tk. 12,609,393 on the opening balance and 2,472,298 on the current year of Building at Moulvibazar (1 to 10 Floor, 19950 sq. ft.) and Flats at Eastern Arzoo, 61, Bijoyagar, Dhaka (2nd, 4th, 8th floor (2732 sq.ft.) & 7th floor, (unit 7/1-8, 3777 sq.ft.) since those were not registered on that period. b) In Annexure A of note 14 of the financial statements, management has disclosed that, the flat in Chattogram, address # Zahura Tower, 1401 Sheikh Mujib Road, Agrabad C/A, Chattogram purchased at a price of Tk. 34,689,801 for which legal proceeding about ownership is under process in the Joint 2nd District Judge, Chattogram vide case no. 62/12. c) In note 3.13.b of the financial statements which describes, a legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company has not filed any return of income for any of the assessment years after the assessment year 2014-15; Note 3.13.b-Taxation: A legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh on the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company does not file any return of income for any of the assessment year after the assessment year 2014-15. d) According to note 4.05 of the financial statements, a legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company could not submit "Quarterly Financial Statements" to the Exchange and the Commission in accordance with the Regulation 17 of Dhaka Stock Exchange (Listing) Regulations, 2015. The Company has submitted its all un-audited Quarterly Financial Statements up to the 1st Quarter of 2018 to the BSEC on 25 July 2018; Note 4.05-Quarterly Financial Statements to the Exchange and the Commission: A legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company could not submit "Quarterly Financial Statements" to the Exchange and the Commission in accordance with the Regulation 17 of Dhaka Stock Exchange (Listing) Regulations, 2015. The Company has submitted its all un-audited Quarterly Financial Statements up to the 1st Quarter of 2018 to the BSEC on 25 July 2018. e) As disclosed in note 4.06 to the financial statements that, a legal proceeding is running in the Honorable High

Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, Annual Financial Statements the Company could be not audited within 120 days from the date on which it's financial year ends and a copy of such Audited Financial Statements could not be submitted to the Commission and the Stock Exchange within 14 days according to Regulation 18 of Dhaka Stock Exchange (Listing) Regulations, 2015; Note 4.06-Audit of Annual Financial statements: A legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, Annual Financial Statements the Company could be not audited within 120 days from the date on which it's financial year ends and a copy of such Audited Financial Statements could not be submitted to the Commission and the Stock Exchange within 14 days according to Regulation 18 of Dhaka Stock Exchange (Listing) Regulations, 2015. f) According to note 4.07 of the financial statements, legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company has not held any general meeting as its annual general meeting since 2013 in accordance with Section 81 of the Companies Act, 1994; Note 4.07-Annual General Meeting (AGM): A legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, the Company has not held any general meeting as its annual general meeting since 2013 in accordance with Section 81 of the Companies Act, 1994. g. As disclosed in note 4.08 to the financial statements that, a legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. So that, the Company has not filed Schedule X: "annual list of members and summary" to the Registrar in each year since 2013 according to Section 36 of the Companies Act, 1994; Note 4.08-Annual Return to RJSC: As legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this matter, the Company does not file Schedule - X: "annual list of members and summary" to the Registrar in each year since 2013 according to Section 36 of the Companies Act, 1994; h. As disclosed in Note 4.09 to the financial statements, the Company does not make actuarial valuation and investigate its financial status of the life insurance business by an actuary according to the regulatory procedure and in a prescribed manner in each year since 2013 in accordance with Section 30 of the Insurance Act, 2010. As legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. On September 11, 2017 the Company has appointed Dr. Mohammad Sohrab Uddin, Ph.D, AIA, Consulting Actuary, to Complete Actuarial valuation of the policy liabilities as at 31 December 2013, 2014 and 2015 respectively; and Note 4.09 -Actuarial Valuation and Investigation: The Company does not make actuarial valuation and investigate its financial status of the life insurance business by an actuary according to the regulatory procedure and in a prescribed manner in each year since 2013 in accordance with Section 30 of the Insurance Act, 2010. As legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. On September 11, 2017 the Company has appointed Dr. Mohammad Sohrab Uddin, Ph.D, AIA, Consulting Actuary, to Complete Actuarial valuation of the policy liabilities as at 31 December 2013, 2014 and 2015 respectively. i) As legal proceeding is running in the Honorable High Court division of Supreme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, The Company could not provide the financial statements and auditor's certified copy on details of deposited money and assets of the "Life Insurance Fund" within 6 months from the end of year 2016 to the authority in accordance with Section 32 and Section 26(3) respectively of the Insurance Act, 2010, which disclosed in Note 4.10 to the financial statements. Note 4.10-Report to the Authority (IDRA): As legal proceeding is running in the Honorable High Court division of Su-

preme Court of Bangladesh in the name of the Company's affairs which are yet to be resolved. Due to this reason, The Company could not provide the financial statements and auditor's certified copy on details of deposited money and assets of the "Life Insurance Fund" within 6 months from the end of year 2016 to the authority in accordance with Section 32 and Section 26(3) respectively of the Insurance Act, 2010.