

## Daily Market Update

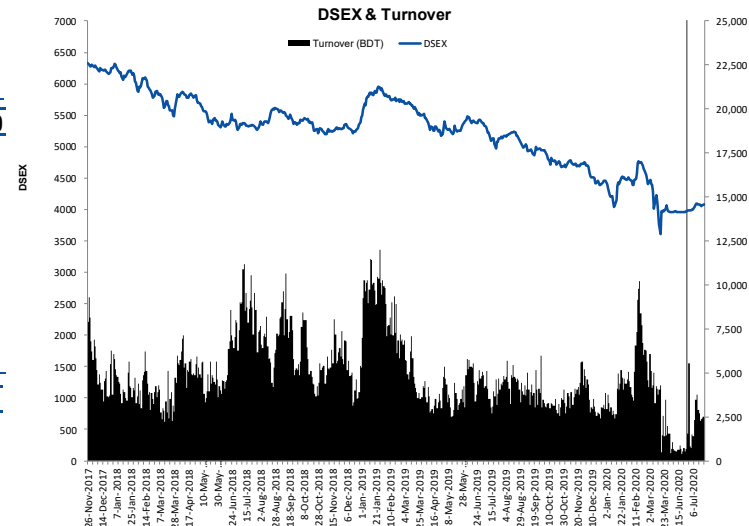
The market closed in red today. The benchmark index DSEX (-0.22%) lost 9.01 points and closed at 4,076.79. The blue-chip index DS30 (-0.01%), the Shariah-based index DSES (-0.31%), and the large cap index CDSET (-0.26%) all closed in red. All the large cap sectors posted positive performance today except Banks (-0.41%) and Pharmaceuticals (-0.21%). NBFIs booked the highest gain of 0.37% followed by Power (+0.22%), Telecommunication (+0.09%), Food & Allied (+0.07%), and Engineering (+0.04%). Turnover stood at BDT 2.5 billion (USD 29.1 million). Block trade contributed 15.4% of the overall market turnover. Pioneer Insurance (+8.3%) was the most traded share with a turnover of BDT 116.7 million.

Sector Index	Closing	Opening	Δ(Pts)	Δ%	No. of Cos	Sectoral Mcap (mn BDT)	% of Total Mcap	Sectoral Turnover (mn BDT)	% of Total Turnover
Banks	1,140.06	1,144.75	-4.70	-0.41%	30	464,687.9	17.76%	142.0	6.78%
NBFIs	1,392.24	1,387.05	5.18	0.37%	23	128,711.6	4.92%	51.7	2.47%
Mutual Funds	573.55	576.56	-3.01	-0.52%	37	29,806.3	1.14%	57.8	2.76%
General Insurance	1,823.18	1,840.07	-16.90	-0.92%	35	49,259.0	1.88%	411.5	19.66%
Life Insurance	1,885.61	1,909.29	-23.68	-1.24%	12	52,573.5	2.01%	48.4	2.31%
Telecommunication	3,466.98	3,463.80	3.18	0.09%	2	348,455.2	13.32%	161.4	7.71%
Pharmaceuticals	2,501.83	2,507.19	-5.36	-0.21%	32	471,595.6	18.03%	344.9	16.47%
Fuel & Power	1,448.45	1,445.28	3.17	0.22%	19	359,068.6	13.73%	86.1	4.11%
Cement	1,182.07	1,182.07	0.00	0.00%	7	71,888.0	2.75%	3.0	0.14%
Services & Real Estate	954.45	952.12	2.34	0.25%	8	38,106.6	1.46%	9.5	0.45%
Engineering	2,036.56	2,035.73	0.82	0.04%	39	132,149.6	5.05%	197.2	9.42%
Food & Allied	11,363.13	11,355.15	7.98	0.07%	17	209,838.6	8.02%	149.2	7.13%
IT	1,825.26	1,814.69	10.57	0.58%	9	20,180.5	0.77%	104.8	5.00%
Textiles	959.76	955.28	4.48	0.47%	56	96,871.2	3.70%	143.6	6.86%
Paper & Printing	5,052.54	5,082.35	-29.81	-0.59%	3	9,660.0	0.37%	27.3	1.30%
Tannery	1,667.26	1,667.26	0.00	0.00%	6	17,849.2	0.68%	1.0	0.05%
Jute	7,937.62	7,957.01	-19.40	-0.24%	3	1,754.2	0.07%	1.8	0.08%
Ceramics	389.73	390.02	-0.28	-0.07%	5	19,760.8	0.76%	17.9	0.86%
Miscellaneous	1,685.82	1,683.81	2.00	0.12%	13	93,540.7	3.58%	134.6	6.43%

Top Ten Gainers	Close	Δ%	Turnover (mn BDT)
Savar Refractories	108.10	9.5%	.8
Pioneer Insurance	40.30	8.3%	116.7
Zeal Bangla Sugar Mills	63.00	6.4%	1.5
Prime Textile	16.80	5.7%	3.8
Information Services Network Ltd.	36.50	5.5%	13.6
The Premier Bank	9.90	5.0%	.2
Mutual Trust Bank	24.30	5.0%	.0
ADN Telecom Limited	34.10	4.0%	41.3
ICB Islamic Bank	2.90	3.6%	.1
Square Textile	30.00	3.4%	2.1

Top Ten Losers	Close	Δ%	Turnover (mn BDT)
Islami Bank	18.30	-9.9%	13.8
United Insurance	40.20	-5.6%	9.5
Northern Islami Insurance Limited	20.00	-5.2%	23.2
Tung Hai Knitting & Dyeing Limited	1.90	-5.0%	.1
Mercantile Insurance	24.80	-4.6%	8.3
National Housing Fin. and Inv. Ltd.	27.00	-4.6%	7.9
Continental Ins Ltd.	18.90	-4.5%	4.3
ICB Employees Provident MF 1 Scheme 1	6.30	-4.5%	3.4
Pragati Insurance	35.90	-4.3%	1.1
Karnaphuli Insurance	20.30	-4.2%	6.8

Most Traded Share	Close	Δ%	Turnover (mn BDT)
Pioneer Insurance	40.30	8.3%	116.7
Grameenphone Ltd.	246.70	0.1%	108.2
Nahee Aluminium Composite Panel Ltd.	53.40	0.9%	71.7
Fine Foods Ltd	56.50	-2.6%	69.7
Bangladesh Shipping Corporation	42.60	0.9%	57.2
Golden Harvest Agro Industries Ltd.	18.10	1.1%	56.2
Beximco Pharmaceuticals	74.70	-1.1%	55.7
Square Pharmaceuticals	175.00	-0.2%	54.7
Bangladesh Submarine Cable Company Limited	93.00	0.3%	53.1
Indo-Bangla Pharmaceuticals Limited	21.00	-1.9%	51.5



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Index	Closing	Opening	Δ(Pts)	Δ%	%ΔYTD
DSEX	4,076.79	4,085.80	-9.01	-0.22%	-8.45%
DS30	1,371.91	1,372.09	-0.18	-0.01%	-9.35%
DSES	945.39	948.32	-2.93	-0.31%	-5.45%
CDSET	806.49	808.63	-2.14	-0.26%	-10.37%

	Advanced	Declined	Unchanged	Total
All Category	64	98	180	342
A Category (Equity)	50	74	126	250
B Category (Equity)	6	14	25	45
N Category (Equity)	1	0	0	1
Z Category (Equity)	7	10	29	46
Mutual Funds	2	13	20	35
Corporate Bonds	0	1	1	2

Market Stat		Today	Last Day	% Change
Mcap	Mn BDT	3,168,481.9	3,171,665.6	
	Mn USD	37,293.8	37,331.3	-0.1%
Turnover	Mn BDT	2,474.8	2,528.9	-2.1%
	Mn USD	29.1	29.8	
Volume	Mn Shares	85.4	79.7	7.2%
Trade		65,829	68,991	-4.6%

Top Ten Market Cap	Mcap (bn BDT)	% of Total Mcap	Turnover (mn BDT)	PE	PB
Grameenphone Ltd.	333.1	12.7%	108.23	9.6x	7.9x
British American Tobacco Bangladesh Company Limited	163.4	6.2%	2.05	19.0x	6.7x
Square Pharmaceuticals	147.7	5.6%	54.73	11.2x	2.2x
United Power Generation & Distribution Company Ltd	116.0	4.4%	1.28	14.3x	7.9x
Renata Ltd.	91.5	3.5%	5.02	22.6x	5.0x
Berger Paints	60.7	2.3%	2.54	24.9x	9.1x
Investment Corporation of Bangladesh	54.2	2.1%	8.24	NM	2.6x
Marico Bangladesh Limited	49.2	1.9%	3.33	18.9x	33.4x
BRAC Bank	42.3	1.6%	.10	8.6x	0.9x
LafargeHolcim Bangladesh Limited	41.7	1.6%	.47	23.9x	2.7x

Top Ten Free Float Mcap	Free Float Mcap (bn BDT)	% of Total Free Float	Turnover (mn BDT)	PE	PB
Square Pharmaceuticals	96.7	9.1%	54.73	11.2x	2.2x
Renata Ltd.	44.7	4.2%	5.02	22.6x	5.0x
British American Tobacco Bangladesh Company Limited	43.2	4.1%	2.05	19.0x	6.7x
Grameenphone Ltd.	33.3	3.1%	108.23	9.6x	7.9x
Beximco Pharmaceuticals	26.3	2.5%	55.71	9.3x	1.1x
BRAC Bank	23.6	2.2%	.10	8.6x	0.9x
Olympic Industries	22.3	2.1%	5.86	15.4x	4.9x
Eastern Bank	17.2	1.6%	.09	6.3x	0.9x
Pubali Bank	15.1	1.4%	.78	10.0x	0.7x
National Bank	15.1	1.4%	8.39	5.3x	0.4x

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
ACI Limited	209.40	209.40	29.94	143,000	1
Aman Feed Limited	29.00	28.90	4.42	152,800	2
Bank Asia Ltd.	17.00	17.00	17.00	1,000,000	1
British American Tobacco Bangladesh Company Limited	870.00	850.00	22.88	26,900	13
Beximco Limited	12.50	12.50	1.88	150,000	1
Central Insurance	24.80	24.80	2.98	120,000	1
City Bank	16.20	16.20	12.96	800,000	1
Dutch-Bangla Bank	56.70	56.70	4.62	81,481	2
Golden Harvest Agro Industries Ltd.	18.10	18.10	5.43	300,000	1
Grameenphone Ltd.	246.50	246.50	14.79	60,000	1
IFIC Bank	8.60	8.60	2.37	275,000	2
Jamuna Bank	17.40	15.20	35.41	2,040,000	3
Kohinoor Chemicals	431.50	431.50	0.52	1,200	1
Khulna Power Company Limited	45.30	45.30	169.53	3,742,329	1
Marico Bangladesh Limited	1,500.00	1,500.00	4.44	2,963	1
Oimex Electrode Limited	24.10	24.10	2.05	85,000	1
The Peninsula Chittagong Limited	17.10	17.10	0.51	30,000	1
Quasem Industries Limited	36.00	36.00	0.52	14,400	1
RAK Ceramics Limited	25.50	25.50	1.38	54,000	1
Republic Insurance	25.00	25.00	1.25	50,000	1
Runner Automobiles Limited	45.00	44.00	2.11	47,227	2
Saif Powertec Limited	11.70	11.70	0.59	50,000	1
Shasha Denim Limited	21.50	21.50	1.52	70,761	1
Silco Pharmaceuticals Limited	22.40	22.40	0.55	24,500	1
Silva Pharmaceuticals Limited	18.30	18.30	0.66	35,850	1
Singer Bangladesh	147.00	132.30	4.73	34,001	5
SK Trims & Industries Limited	57.80	56.00	4.51	80,200	8
Southeast Bank	10.80	10.80	25.92	2,400,000	14
Shinepukur Ceramics	7.60	7.60	1.52	200,000	1

Block Trade	Maximum Price	Minimum Price	Turnover (mn BDT)	Quantity	Trade
Square Pharmaceuticals	175.00	175.00	2.27	12,960	2
Standard Ceramic	303.00	300.10	1.43	4,750	2
<b>Total</b>			<b>380.67</b>		<b>75</b>

### Corporate Actions: Upcoming Record Dates

DSE Ticker	Company Name	Rights	Stock	Cash	Year End	Record Date
CENTRALINS	Central Insurance Company Ltd.		5.0%	7.0%	31-Dec-19	23-Jul-20
SIBL	Social Islami Bank		5.0%	5.0%	31-Dec-19	26-Jul-20
PHOENIXFIN	Phoenix Finance and Investments Ltd.		6.0%	6.0%	31-Dec-19	26-Jul-20
EASTERNINS	Eastern Insurance Company Ltd.		0.0%	20.0%	31-Dec-19	26-Jul-20
ASIAPACINS	Asia Pacific General Insurance Co. Ltd.		0.0%	10.0%	31-Dec-19	27-Jul-20
SOUTHEASTB	Southeast Bank Ltd.		2.5%	7.5%	31-Dec-19	28-Jul-20

### Important DSE News

#### NORTHRNINS

(Q1 Un-audited): EPS was Tk. 0.54 for January-March 2020 as against Tk. 0.53 for January-March 2019. NOCFPS was Tk. 2.15 for January-March 2020 as against Tk. 0.39 for January-March 2019. NAV per share was Tk. 20.03 as on March 31, 2020 and Tk. 19.30 as on March 31, 2019.

(Q2 Un-audited): EPS was Tk. 0.27 for April-June 2020 as against Tk. 0.49 for April-June 2019; EPS was Tk. 0.81 for January-June 2020 as against Tk. 1.03 for January-June 2019. NOCFPS was Tk. 3.36 for January-June 2020 as against Tk. 0.61 for January-June 2019. NAV per share was Tk. 20.30 as on June 30, 2020 and Tk. 18.80 as on June 30, 2019.

The Board of Directors has recommended 10% cash dividend for the year ended on December 31, 2019. Date of AGM: 21.09.2020, Time: 4:00 PM, Venue: Digital Platform as per BSEC Order. Record Date: 13.08.2020. The Company has also reported EPS of Tk. 1.72, NAV per share of Tk. 19.49 and NOCFPS of Tk. 3.27 for the year ended on December 31, 2019 as against Tk. 1.65, Tk. 18.77 and Tk. 1.33 respectively for the same period of the previous year.

#### ISLAMICFIN

(Q2 Un-audited): EPS was Tk. 0.32 for April-June 2020 as against Tk. 0.30 for April-June 2019; EPS was Tk. 0.70 for January-June 2020 as against Tk. 0.66 for January-June 2019. NOCFPS was Tk. (0.17) for January-June 2020 as against Tk. (6.80) for January-June 2019. NAV per share was Tk. 15.16 as on June 30, 2020 and Tk. 13.72 as of June 30, 2019.

#### RAKCERAMIC

(Q2 Un-audited): Consolidated EPS was Tk. (0.44) for April-June 2020 as against Tk. 0.37 for April-June 2019; Consolidated EPS was Tk. (0.09) for January-June 2020 as against Tk. 0.80 for January-June 2019. Consolidated NOCFPS was Tk. (0.57) for January-June 2020 as against Tk. 0.53 for January-June 2019. Consolidated NAV per share was Tk. 15.60 as on June 30, 2020 and Tk. 16.20 as on June 30, 2019. The Company also informed that due to COVID-19 pandem-

ic, there was country-wide lockdown in Bangladesh since 26th of March, 2020 which caused closure of outlets or stores of company's dealers, suspension of production in the factory, disruption of supply chain which causing reduction of Sales Tk. 1,972.26 million compare to corresponding period Tk. 2,922.99 million, Net Profit or Loss After Tax negative Tk. 36.77 million compare to corresponding period positive Tk. 342.18 million, earnings per share to negative Tk. 0.09 compare to corresponding period positive Tk. 0.80 and operating cash flow per share to negative 0.57 compare to corresponding period positive 0.53.

#### **PRIMEINSUR**

(Q2 Un-audited): EPS was Tk. (0.26) for April-June 2020 as against Tk. 0.20 for April-June 2019; EPS was Tk. (0.31) for January-June 2020 as against Tk. 0.64 for January-June 2019. NOCFPS was Tk. 1.60 for January-June 2020 as against Tk. 1.20 for January-June 2019. NAV per share was Tk. 16.00 as on June 30, 2020 and Tk. 16.31 as of December 31, 2019.

#### **LHBL**

(Q2 Un-audited): Consolidated EPS was Tk. 0.28 for April-June 2020 as against Tk. 0.38 for April-June 2019; Consolidated EPS was Tk. 0.73 for January-June 2020 as against Tk. 0.68 for January-June 2019. Consolidated NOCFPS was Tk. 1.69 for January-June 2020 as against Tk. 1.21 for January-June 2019. Consolidated NAV per share was Tk. 13.77 as on June 30, 2020 and Tk. 13.95 as on December 31, 2019.

#### **HEIDELBCEM**

(Q2 Un-audited): Consolidated EPS was Tk. (3.31) for April-June 2020 as against Tk. (0.72) for April-June 2019; Consolidated EPS was Tk. (2.54) for January-June 2020 as against Tk. 2.69 for January-June 2019. Consolidated NOCFPS was Tk. 2.87 for January-June 2020 as against Tk. 5.78 for January-June 2019. Consolidated NAV per share was Tk. 69.34 as on June 30, 2020 and Tk. 71.88 as on December 31, 2019.

#### **HAKKANIPUL**

(Q3 Un-audited): EPS was Tk. (0.34) for January-March 2020 as against Tk. (0.42) for January-March 2019; EPS was Tk. (0.82) for July 2019-March 2020 as against Tk. (1.06) for July 2019-March 2020. NOCFPS was Tk. (2.52) for July 2019-March 2020 as against Tk. 0.17 for July 2018-March 2019. NAV per share (with Revaluation surplus) was Tk. 24.91 as on 31.03.2020 and Tk. 26.07 as on 30.06. 2019 and NAV per share (without Revaluation surplus) was Tk. 10.13 as on 31.03.2020 and Tk. 10.88 as on 30.06.2019.

#### **ISLAMINS**

Dividend Declaration (Additional Information): The Company has further informed that they recommended 5% stock dividend this year due to following reasons: i) As per Insurance Act, 2010, section 21, the minimum paid up capital is Tk. 35,64,08,790.00 and to comply the minimum paid up capital 5% stock dividend has been approved by the Board of Directors meeting held on July 20, 2020. ii) The bonus share has been approved from the net profit for the year 2019. and iii) Bonus Shares are not declared from capital reserve or revaluation reserve or any unrealized gain or out of profit earned prior to incorporation of the Company or through reducing paid up capital or through doing anything so that the post dividend retained earnings become negative or a debit balance.

#### **GLAXOSMITH**

Mr. Rezaul Haque Chowdhury one of the Independent Directors of the Company, has expressed his intentions to sell 784 shares of the Company at prevailing market price (In the Public market)

through Stock Exchange (DSE) within next 30 working days.

#### **CITYGENINS**

The auditor of City General Insurance Company Limited has given the following "Qualified Opinion" in the audit report of the company prepared for the year ended on 31 December 2019. Qualified Opinion: In note 8, 'Amount due from other persons or bodies carrying on insurance business', BDT. 12,14,73,852 is shown as due from Shadharon Bima Corporation (SBC). Upon inquiry, the aging schedule, reconciliation of the figure with SBC and claim wise break up were not provided. During 2019, only around 10% of the total outstanding balance was shown as receipt adjustment. Note 08.00 Amount Due from Other Persons or Bodies Carrying on Insurance Business: Balance of Amount Due from Other Persons or Bodies Carrying on Insurance Business as on 31 December, 2019 was Tk. 121,473,852 and as on 31 December, 2018 was Tk. 119,383,248. This balance represents the balance receivable from Sadharan Bima Corporation (SBC) and other insurance companies on account of public Sector business transacted up to 2nd quarter of 2019.

#### **PURABIGEN**

The auditor of Purabi General Insurance Company Limited has given the following "Emphasis of Matter" in the audit report of the company prepared for the year ended on 31 December 2019. Emphasis of Matter: We draw users' attention to note # 2.22 and 27 to the financial statements regarding management's explanation with respect to recognition of right of use assets as per IFRS 16 and events after reporting period. Our report is not modified in respect of these matter. Note 2.22 IFRS 16 Leases: "IFRS 16 Leases is effective for the annual reporting periods beginning on or after 1 January 2019. IFRS 16 defines that a contract is (or contains) a lease if the contract conveys the right to control the use of an identified asset for a period of time in exchange for consideration. IFRS 16 significantly changes how a lessee accounts for operating leases. Under previous IAS 17, an entity would rent an office building or a branch premises for several years with such a rental agreement being classified as operating lease would have been considered as an off balance sheet item. However, IFRS 16 does not require a lease classification test and hence all leases shall be accounted for as on balance sheet item (except some limited exception i.e. short-term lease, leases for low value items). Under IFRS 16, an entity shall be recognizing a right-of-use (ROU) asset (i.e. the right to use the office building, branches, service center, call center, warehouse, etc.) and a corresponding lease liability. The asset and the liability are initially measured at the present value of unavoidable lease payments. The depreciation of the lease asset (ROU) and the interest on the lease liability is recognized in the profit or loss account over the lease term replacing the previous heading 'lease rent expenses'. While implementing IFRS 16, the Company observed that IFRS 16 is expected to have insignificant impact on assets and liability because the company does not acquired any leased assets except lease rental related to office space. In addition, there are no direction from National Board of Revenue (NBR) regarding treatment of lease rent, depreciation on ROU assets and interest on lease liability for income tax purposes and applicability of VAT on such items. Finally, paragraph 5 of IFRS 16 provide the recognition exemptions to short term leases and leases for which the underlying asset is of low value. Although, paragraphs B3 to B8 of the Application Guidance (Appendix B) of IFRS 16 provide some qualitative guidance on low value asset, but these guidance is focused towards moveable asset. Immovable asset like rental of premises (i.e. real estate) is not covered on those guidance, nor any benchmark on quantification guidance on low value items have been agreed locally in Bangladesh. As per the preliminary assessment of leases for 'office premises', the company has concluded that the potential impact of these lease items in the Balance Sheet and Profit and Loss Account of the Company for the year 2019 is not considered to be material.

Therefore, considering the above implementation issues the Company has not taken IFRS 16 adjustments on the basis of overall materiality as specified in the materiality guidance in the 'Conceptual Framework for Financial Reporting' and in 'International Accounting Standard 1 Presentation of Financial Statements'. However, the company would continue to liaison with regulators and related stakeholders and observe the market practice for uniformity and comparability, and take necessary actions in line with regulatory guidelines and market practice. Note 27.0 Events After the Reporting Period: The Board of Directors in its meeting held on 04-07-2020 recommended 10% Cash dividend for the shareholders whose name will be appeared in the shareholders register at the record date which is subject to approval at the forthcoming Annual General Meeting. The proposed dividend is not recognized as a liability at the Statement of Financial Position date in accordance with IAS 10 "Event after the Statement of Financial Position date". Except the facts stated above, no circumstances have arisen since the Statement of Financial Position date which would be required adjustment to or disclosure in the financial statement as note thereto. Covid-19 Issue: Subsequent to year-end, on 11 March 2020, World Health Organization (WHO) declared a global pandemic due to Corona Virus related respiratory disease commonly called as COVID-19. To contain the spread of this disease, along with many other countries of the world, Government of Bangladesh has also taken a number of measures such as declaration of general holiday, enforcement of lock down, social distancing etc. As a result of these measures all business and economic activities are adversely affected which would also impact the company as well. Management as considered COVID 19 as subsequent event and in accordance with IAS 10 has concluded that this is a non-adjusting event (i.e. an event after the reporting period that is indicative of a condition that arose after the end of the reporting period) because the significant changes in business activities and economic conditions as a result of COVID 19 events took place well after the reporting date of 31 December 2019. Although the business operation and profitability of the company are impacted due to COVID 19, but as the situation is constantly changing and there is no certainty at present as to how long the situation will prevail, the potential impact of COVID 19 related matters on the Group's operation and financial results cannot be reasonably assessed.

#### **EASTERNINS**

The auditor of Eastern Insurance Company Ltd. has given the following "Emphasis of Matter" in the audit report of the company prepared for the year ended on 31 December 2019. Emphasis of Matter: In forming our opinion on the financial statements, which in not modified, we considered the matter and the fact that the company declared cash dividend @ 20% in 2018 which is Tk. 86,220,288 out of this an amount of Tk. 61,879,632 was deposited to the designated bank account and Tk. 7,741,775 was paid directly from the companys other account. Hence, there is a shortfall of deposit to the tune of Tk. 16,598,881. This is a non-compliance of the section 28(1) of Dhaka Stock Exchange (Listing) Regulations, 2015.