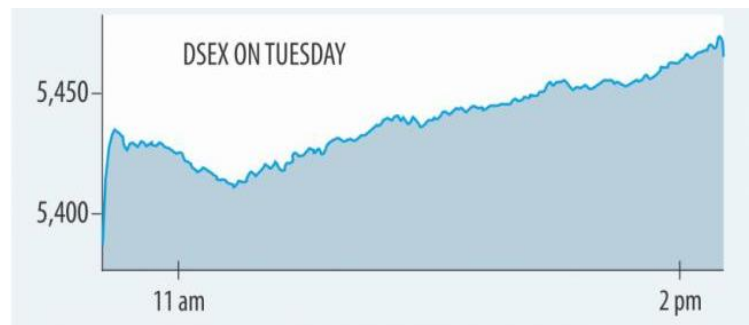


Stock Market

POST-POLLS MARKET: Stocks surge 1.5pc on optimism

The Daily Star, January 02, 2018

- Dhaka stocks surged yesterday as investors reacted positively to the election outcome. On the first trading day after the national polls, DSEX, the benchmark index of Dhaka Stock Exchange, jumped 79.61 points, or 1.48 %, which is the biggest increase on a single day in nine months.
- The key index of the market has been rising continuously in the last nine working days: it rose 247.24 points, or 4.74 %, to 4,465.25 points -- the highest in the last four and a half months. Analysts are optimistic about the market riding on political stability and more sound business activities in the coming years.
- Stock investors saw the value of their investment shed by BDT 36,128 crore last year thanks to the political tension centring on the 11th general election. At the end of 2018, the DSE's market capitalisation stood at BDT 387,295 crore, in contrast to BDT 423,423 crore on the first day of 2018.
- During the year, the DSEX fell 858.88 points, or 13.75 %, to 5,385.65 points, while the blue chip stocks lost 17.63 % to reach 1,880.78 points. The pre and post-election situations were peaceful, so investors will be confident of investing in the market now, especially foreign investors.
- The DSE chief blamed political jitters on the slump in foreign investment last year. Net foreign portfolio investment plunged to BDT 593.47 crore in the negative in 2018, which was BDT 1,704.95 crore in the positive the previous year. However, most of the stocks rose yesterday. Of the traded issues, 264 advanced and 54 declined, with 23 securities closing unchanged on the premier bourse. Turnover dropped 1.51 % to BDT 530.17 crore yesterday.
- Shinepukur Ceramics, one of the junk stocks, was the day's best performer with a 10 % gain. Four other junk stocks were in the top 10 gainers' list: Tallu Spinning (10 %), Shyampur Sugar (9.97 %), Emerald Oil (9.93 %) and Beximco Sythetics (9.59 %). On the other hand, National Life Insurance was the worst loser, shedding 7.03 %.
- Yesterday, BBS Cables dominated the turnover chart with the transaction of 31.02 lakh shares worth BDT 31.34 crore, followed by Paramount Textiles, Beximco, Ifad Autos and Khulna Power. Chittagong stocks also rose yesterday with the bourse's benchmark index, the CSCX, increasing 167.88 points, or 1.68 %, to finish the day at 10,115.10.



<https://www.thedailystar.net/business/news/election-outcome-cheers-stocks-1681654>

Nov sees further dip in interest rate spread

The Financial Express, January 02, 2018

- Interest rate spread in the country's banking sector decreased further in November, although the commercial banks increased their interest rates more on deposit than lending, officials said. The interest rates on deposit returned to an upward trend in November 2018 after maintaining a declining trend in the previous three consecutive months, according to the Bangladesh Bank's (BB) latest statistics.
- The weighted average rate on deposits rose to 5.30 % in November from 5.25 % a month before, while interest on lending stood at 9.50 % from 9.47 %. The weighted average rate on deposits was 5.27 % and 5.36 % in September and August respectively.

- The ADR has been re-fixed at 83.50 % for all the conventional banks and 89 % for the Shariah-based Islamic banks. The existing ratios are 85 % and 90 % respectively. On the other hand, the weighted average spread between lending and deposit rates came down to 4.20 % in November 2018 from 4.22 % in the previous month. The spread was 4.27 % in September.
- The spread, being maintained by at least 14 commercial banks, out of 57, still remains high. It ranges between more than 5.0 % and 8.52 %. Average spread with the state-owned commercial banks (SoCBs) was 2.31 % in November 2018, and 4.41 % with the private commercial banks (PCBs). It was 6.82 % with the foreign commercial banks (FCBs), and 2.31 % with the specialised banks (SBs).

<http://thefinancialexpress.com.bd/trade/nov-sees-further-dip-in-interest-rate-spread-1546399777>

Jute sector fares well

The Financial Express, January 01, 2018

- Jute sector comprising small cap companies posted the highest return in 2018 though major sectors witnessed sharp correction during the year. In 2018, share trading was executed on 242 working days and jute sector witnessed a return of 141.50 % in market cap following 'unusual' price hike of issues.
- Of the major sectors, the market cap of banking sector declined 22.90 %, cement 26.40 %, financial institutions 23.90 %, telecommunication 21.70 % and services & real estate 23 %, according to market review of EBL Securities.
- The jute sector comprises of only three companies such as Jute Spinners, Northern Jute Manufacturing Company and Sonali Aansh Industries. The companies several times exhibited 'unusual' price of shares despite two of them recommended 'No' dividend and incurred losses for the year ended on June 30, 2018.
- On January 1, 2018 the share price of Sonali Aansh Industries closed at BDT 214.50 each. At the end of the year, the company's share price closed at BDT 686.40 each, 220 % higher than the price observed on January 1, 2018. The company's board of directors recommended 10 % cash dividend for the year ended on June 30, 2018.
- It reported EPS of BDT. 1.71 for the year ended on June 30, 2018 as against BDT. 1.65 for the same period of the previous year. In response to a DSE query dated November 13, 2018, Sonali Aansh Industries informed that there was no undisclosed price sensitive information for unusual price hike and increase in volume of shares. In 2018, there was volatility in share price movement of Jute Spinners on the opening session of the year. The company's share price closed at BDT 104.30 each. Later, the company's share price stood at BDT 128.10 each on December 27, 2018.

<http://thefinancialexpress.com.bd/stock/jute-sector-fares-well-1546318082>

DBH to issue BDT 3.0b Zero Coupon Bonds

The Financial Express, January 01, 2018

- The board of directors of Delta Brac Housing Finance Corporation has decided to issue Non-Convertible Zero Coupon Bonds of BDT 3.0 bn (in face value). The bond will be multiple tranches and fund will be raised through private placement, according to a disclosure posted on the Dhaka Stock Exchange website on Tuesday.
- Tenure of the bond will be from six months and up to 5 years from the issue date subject to the approval of the regulatory authorities like Bangladesh Bank and Bangladesh Securities and Exchange Commission, said the disclosure. Each share of the company, which was listed on the Dhaka bourse in 2008, closed at BDT 129.40 on Thursday, the last trading day of the year, 2018.
- In the last one year, the company's share price hovered between BDT 126.10 and BDT 144. The company disbursed 30 % cash dividend for the year ended on December 31, 2017. The company's earnings per share (EPS) stood at BDT

1.82 for July-September, 2018 as against BDT 1.83 for July-September, 2017. In nine months for January-September, 2018, EPS was BDT 6.65 as against BDT 6.59 for January-September, 2017.

- The net operating cash flow per share (NOCFPS) was BDT 22.91 for January-September, 2018 as against BDT 28.94 for January-September, 2017. The net asset value (NAV) per share was BDT 39.41 as on September 30, 2018 and BDT 34.56 as on December 31, 2017.
- The company's paid-up capital is BDT 1.21 bn and authorised capital is BDT 2.0 bn, while the total number of securities is 121.85 mn. The sponsor-directors own 51.32 % stake in the company, while institutional investors own 2.82 %, foreign investors 43.29 % and the general public 2.57 % as on November 30, 2018, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/dbh-to-issue-BDT-30b-zero-coupon-bonds-1546323965>

Banks post hefty operating profits despite challenges

The Daily Star, January 02, 2018

- Private banks reported hefty operating profit in the just concluded year, helped by the much higher interest rate on lending than that on deposits. The banks gave emphasis on mobilising funds by opening non-interest bearing capital and savings accounts, which cut down costs and pushed up profits, said top bankers.
- The Daily Star obtained data of 28 banks' operating profits: 25 posted growth in the range of 1.5 % to 40 %. For instance, Premier Bank logged in about BDT 618 crore as operating profits for 2018, up 40 % year-on-year.
- Among the banks, Islami Bank Bangladesh registered the highest profit of BDT 2,770 crore in 2018, up 14.46 % year-on-year. Southeast Bank is in a buoyant mood as its operating profit touched four digits for the first time in its history: its profits stood at BDT 1,012 crore last year, up from BDT 901 crore a year earlier
- No bank followed the lending and deposit rates of 9 % and 6 % respectively in line with the instruction from the Bangladesh Association of Banks (BAB), a forum of the directors of the private banks. The majority of the banks set higher lending rates -- going against their own policy. But, they strictly followed the 6 % interest rate on deposits.

BANKS' OPERATING PROFIT IN 2018 (In crore taka)					
BANK	2017	2018	BANK	2017	2018
IBBL	2,420	2,770	Dhaka	524	650
National	1,156	1,230	Jamuna	464	620
Pubali	915	1,025	Premier	440	618
Southeast	901	1,012	One	540	560
DBBL	755	922	First Security	477	525
Bank Asia	671	811	MTB	416	515
Eastern	750	780	Shahjalal	360	500
Al-Arafah	703	721	Standard	354	380
Exim	650	710	Union	242	251
Mercantile	711	673	South Bangla	182	205
City	749	680	NRBC	200	203
SIBL	654	668	Modhumoti	146	197
Trust	630	660	Meghna	102	93
NCC	535	655	NRB	85	91

SOURCE: RESPECTIVE BANKS

<https://www.thedailystar.net/business/news/banks-post-hefty-operating-profits-despite-challenges-1681651>

Pubali Bank reappoints additional MD

The Daily Star, January 02, 2018

- Safiul Alam Khan Chowdhury has recently been reappointed additional managing director of Pubali Bank for three years. He has been serving at the post since January 2016, the bank said in a statement yesterday.
- Chowdhury was earlier the deputy managing director of Pubali Bank. He started his banking career as a senior officer at the bank in 1983. He got his graduate and postgraduate degrees from the University of Dhaka.

<https://www.thedailystar.net/business/banking/news/pubali-bank-reappoints-additional-md-1681624>

Economy

Govt mulls power export in winter

The Daily Star, January 02, 2018

- The government is considering exporting surplus electricity to Nepal during winter in Bangladesh when the demand for power remains low, the state minister for power and energy said yesterday. "We are considering exporting electricity to Nepal during winter through the inter-country grid line we are going to set up," Nasrul Hamid told reporters at his secretariat office.
- During winter, the demand for electricity in Bangladesh decreases, so the country wants to find ways to export surplus electricity available at the time. His comments came just two weeks after India issued a new cross-border power trading regulation, which will go a long way in helping Bangladesh import electricity from Nepal and Bhutan using Indian transmission lines.
- India's power ministry approved the "Guidelines for Import/Export (Cross Border) of Electricity-2018" on December 18. On Sunday, which was election day, power production stood at 3,500 megawatts because of lower demand. The country has the capacity to generate an additional 15,000MW but it did not need to produce it.

<https://www.thedailystar.net/business/news/govt-mulls-power-export-winter-1681642>

Pvt sector credit growth hits 3-yr low in Nov

New Age, January 02, 2019

- Private sector credit growth dropped to a three-year low in November, 2018 due to businesses' reluctance to take loans from banks ahead of national polls and banks' cautious approach to loan distribution.
- The 11th parliamentary polls were held in the country on December 30. In November, 2018, private sector credit growth slowed down to 14.01 %, the lowest after the 13.72-% growth in November, 2015.
- The growth in November last year was 2.79 %age points less than the central bank's target of 16.8 % for the first half of the current fiscal year of 2018-2019. In November, 2017, private sector growth was 19.06 %, 5.05 %age points higher than the growth rate in November, 2018.
- Banks were also cautious in distributing loans amid the existing fund crisis as compliance with the Bangladesh Bank-set advance deposit ratio got the highest priority. The central bank instructed banks to bring down their advance-deposit ratio to 83.5 % by March this year from 85 %.
- In addition to these, many of the banks were also suffering from fund scarcity due to a slowdown in deposit growth, which was hovering at 10 %. Imbalance in deposit growth surfaced amid banks' move to implement 6 % deposit rate following an instruction from the government high-ups.
- Due to the move, a large number of savers diverted their funds to high-interest national savings certificates instead of keeping their funds in banks' savings products, which have been offering lower interest rates. As of November last year, banks' credit disbursement in the private sector stood at BDT 9,42,793 crore, which was BDT 8,26,943 crore as of November, 2017.
- Banks' credit disbursement to the government increased by 5.6 % in November, 2018 as the total credit to the government stood at BDT 97,986 crore against BDT 92,603 crore at the end of November, 2017. Domestic credit increased by 13.28 % to BDT 10,62,174 crore at the end of November, 2018 from BDT 9,37,688 crore at the end of November, 2017.

<http://www.newagebd.net/article/60548/pvt-sector-credit-growth-hits-3-yr-low-in-nov>

Alliance leaves Bangladesh

New Age, January 02, 2019

- Alliance for Bangladesh Worker Safety, the platform of North American fashion brands and retailers, has ended its operation in Bangladesh on Monday as the transition period of the platform was expired on the day. In the announcement the Board of Directors of Alliance thanked all for their support of the buyers platform and its mission over the past five years.
- One of the officials of Alliance said that December 31 was their last office and then the platform closed its office in Dhaka. Earlier, the alliance announced that it would cease operations from Bangladesh on December 31 and from the beginning of 2019 the brands would engage a local company to monitor safety in the factories from which they procure products.
- Following the Rana Plaza building collapse in April 24, 2013, that killed more than 1,100 people, mostly garment workers, North American buyers and retailers formed the Alliance undertaking a five-year plan, which set timeframes and accountability for inspections, trainings and worker empowerment programmes in Bangladesh's readymade garment sector.
- The platform inspected more than 700 RMG factories in Bangladesh from where they procure products. According to the Alliance data, 93 % of faults identified in the factories were corrected, while 428 factories completed 100 % remediation works.
- The buyers group terminated 178 factories from its compliant factory list because of their lack of progress in ensuring a safe working condition. After Rana Plaza building collapse, European brands and retailers also formed another platform namely Accord on Fire and Building Safety in Bangladesh. The initiative inspected more than 1,600 factories and completed over 90 % of remediation works in the units.

<http://www.newagebd.net/article/60547/alliance-leaves-bangladesh>

Shrimp exporters stare at bleak future

The Daily Star, January 02, 2018

- Shrimp processors finished the first half of fiscal 2018-19 amid lower export receipts than a year earlier, with a revival in fortunes progressively looking unlikely in the second half, said exporters yesterday.
- The companies are yet to calculate the total export receipts of 2018. Prices began to fall in the later months in the face of ample production of vannamei shrimp, particularly in India. Production was so high that some exporters in India shipped the low-priced shrimp on credit to their buyers, said Zaheer, also a BFFEA director.
- Demand for shrimp was also affected by devaluation of the British pound and fallout of the US-China trade war, he added. Grown by more than eight lakh farmers on 2.72 lakh hectares area in Bangladesh, the brackish and freshwater shrimp is one of the main livelihoods of thousands of farmers in the southwest coastal belt.
- Export receipts from shrimp, which was once the second biggest export earner after garments, fell for the fourth consecutive year in fiscal 2017-18 to \$408 mn, the lowest since fiscal 2011-12, according to the Export Promotion Bureau.
- In the face of consistent low prices in the global market, the local market has emerged as a cushion for farmers in recent years, thanks to rising income and purchasing capacity of people. Shipments slumped 21 % year-on-year to \$189 mn in the first five months of the fiscal year.

<https://www.thedailystar.net/business/export/news/shrimp-exporters-stare-bleak-future-1681648>

Ctg port sees 9pc growth in container handling

The Daily Star, January 02, 2018

- The Chittagong port posted 9 % year-on-year growth in container handling in 2018. The port handled around 2.80 mn TEUs (twenty-foot equivalent units) of import, export and empty containers in 2018, up from 2.57 mn TEUs in the previous year.
- All sorts of industrial raw materials—except those used in the cement and ceramics sectors—along with commercial items, machinery, commodity and chemical products are imported through containers while export goods are solely carried through containers.
- The port handled 2.30 lakh TEUs of more containers in 2018 compared to 2017 while the figure was 2.19 lakh in 2017 compared to 2016. The port had to suffer from container and vessel congestions last year and the situation gradually improved after the installation of six gantry cranes in the latter half of the year.

<https://www.thedailystar.net/business/news/ctg-port-sees-9pc-growth-container-handling-1681645>

International

South Korea's trade value hits all-time high in 2018

The Financial Express, December 31, 2018

- South Korea's trade value hit a new record high in 2018 as export topped 600 bn US dollars for the first time in the country's history, a government report showed Tuesday. Export, which accounts for about half of the export-driven economy, reached a record high of \$605.5 bn in 2018, according to the Ministry of Trade, Industry and Energy.
- It was up 5.5 % from the previous year, marking the biggest since the country began the outbound shipment in 1948. The country's export surpassed 500 bn dollars for the first time in 2011, reports Xinhua. Import advanced 11.8 % over the year to \$535 bn last year, the largest ever recorded by the economy.
- The continued surplus came amid strong global demand for locally-made semiconductors, of which export jumped 29.4 % over the year to \$126.7 bn in 2018. Semiconductor was the country's sole export item that topped \$100 bn in outbound shipment last year. General machinery export surpassed \$50 bn for the first time in the country's history, while shipment for petrochemicals and oil products also exceeded \$50 bn for the first time last year.
- Computer export kept an upward trend for four straight years thanks to robust demand for solid state drive, and textile shipment marked the first turnaround in four years on solid demand from emerging markets. Automobile export fell 1.9 % last year on weak demand in the US market, and display panel shipment reduced on supply glut that led to lower product price.
- Steel export inched down 0.6 % on the US protectionist moves, and auto parts shipment dipped 0.1 % on soft demand from China and the Latin American countries. Export for telecommunication devices, such as smartphone, tumbled 22.6 %, and consumer electronics export retreated 18.3 % amid a stiffer competition and the local manufacturers that increased production in overseas factories.
- Cosmetics export kept a double-digit growth for the seventh consecutive year amid the popularity of K-pop culture, and pharmaceuticals shipment gained 17.2 % as sales of some of locally-developed biosimilars were approved in the United States and the European Union (EU).
- In December alone, export fell 1.2 % from a year earlier to \$48.5 bn. Import rose 0.9 % to \$43.9 bn, sending the trade surplus to \$4.6 bn. The trade balance stayed in the black for 83 months through December.

<http://thefinancialexpress.com.bd/economy/global/south-koreas-trade-value-hits-all-time-high-in-2018-1546331386>

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