

Stock Market

Stocks gain marginally on PM's rate cut comment

New Age, April 02, 2019

- Dhaka stocks gained marginally on Monday, ending a two-day losing spell as a section of investors, encouraged by prime minister Sheikh Hasina's statement about reducing banks' interest rate, went for bargain hunting.
- DSEX, the key index of Dhaka Stock Exchange, gained 0.20 %, or 11.17 points, to close at 5,503 points on Monday after losing 17 points in the previous two sessions.
- According to media reports, Prime Minister Sheikh Hasina on Sunday said the government would take measures again to reduce the interest rate on bank loans for the sake of the country's industrialisation. DSEX shed around 445 points in last three months.
- The average share prices of general insurance, telecommunication, energy and bank sectors advanced by 5.1 %, 2.0 %, 0.4 % and 0.2 % respectively on Monday. The turnover on the bourse also increased to BDT 423.97 crore on Monday from that of BDT 361.53 crore in the previous trading session.
- On Monday, Premier Bank recommended 15.50 % stock dividend for the year ended on December 31, 2018. The average share prices of cement, pharmaceutical, textile and non-bank financial institutions dropped by 0.7 %, 0.6 %, 0.21 % and 0.2 % respectively.
- United Power Generation Company led the turnover leaders with its shares worth BDT 36.73 crore changing hands on the day. British American Tobacco, Grameenphone, BRAC Bank, Monno Ceramic Industries, Bangladesh Submarine Cable Company, Singer Bangladesh, Alif Industries, JMI Syringes & Medical Devices and Dutch-Bangla Bank were the other turnover leaders.
- Janata Insurance Company gained the most on the day with a 10-% increase in its share prices while First Finance was the worst loser, shedding 7.01 %

<http://www.newagebd.net/article/68937/stocks-gain-marginally-on-pms-rate-cut-comment>

GP woes over unpaid dues get worse

BTRC now claims BDT 12,000cr

The Daily Star, April 02, 2019

- Grameenphone's woes over unpaid dues just got worse, with the government now likely to claim about BDT 800 crore more following revision of the audit books. Last year, following audit into Grameenphone's books from its inception until June 2015 the government had claimed BDT 11,530.15 crore -- an amount that was disputed by the leading mobile operator.
- The operator requested the Bangladesh Telecommunication Regulatory Commission to revisit the figures once again, which the telecom watchdog agreed to. Now, in a commission meeting on Sunday the BTRC has come to the decision that it would claim about BDT 8,000 crore and the National Board of Revenue another BDT 4,086 crore.
- The interest amount was BDT 5,129.16 crore in the audit report placed last year. The new interest amount is yet to be worked out. The telecom watchdog ran its first audit back in 2011 and unearthed financial discrepancies amounting to BDT 3,034 crore in the operator's books from its inception in 1996 through to March 2011.
- Norwegian Telenor has a 55.8 % share of Grameenphone and Grameen Telecom Corporation 34.2 %; the remaining 10 % of the shares belong to retail and institutional investors.

<https://www.thedailystar.net/business/news/gp-woes-over-unpaid-dues-get-worse-1723708>

SBAC to go public

The Financial Express, April 01, 2019

- South Bangla Agriculture and Commerce (SBAC) Bank Limited has signed an Issue Management Services Agreement with ICB Capital Management Limited, a sister concern of Investment Corporation of Bangladesh (ICB). Md. Golam Faruque, MD & CEO of the bank, and Md. Sohel Rahman, CEO (Additional Charge) of ICB Capital Management Ltd., exchanged documents after signing an agreement on Sunday at Head Office of the Bank in the city of Dhaka
- South Bangla Agriculture and Commerce (SBAC) Bank, a fourth generation private commercial bank, has taken initiative to go public under the fixed price method. As part of offloading shares, the SBAC Bank signed an agreement on Sunday with its issue manager--ICB Capital Management.
- Md. Golam Faruque, MD & CEO of the bank, and Md. Sohel Rahman, CEO (additional charge) of ICB Capital Management Ltd., signed the agreement from respective companies on Sunday at head office of the Bank in the capital Dhaka. The paid-up capital of the SBAC Bank, which was incorporated in 2013, is BDT 5.65 bn.

<http://thefinancialexpress.com.bd/stock/sbac-to-go-public-1554095325>

Foreign investment at DSE turns negative in March

Dhaka Tribune, April 01, 2019

- The volatility in the capital market began at the end of January Net foreign investment at Dhaka Stock Exchange (DSE) turned negative in March after two months of positive trend as the foreign investors went for selling shares over caution on volatility in the banking sector and capital market.
- The net foreign investment dipped to BDT123 crore negative in March after injecting BDT498 crore in the previous two months. Net investment was BDT323 crore in February and BDT 175 crore in January.
- In March, the foreign investors sold shares worth BDT498 crore against their purchase of shares worth BDT375 crore. In February, they bought shares worth BDT587.15 crore against their sales worth BDT263.97 crore. The volatility in the capital market began at the end of January and it did not improve yet.
- The investors, puzzled by the unusual behavior in the market, went on jittery share sales. The key DSE index, DSEX, lost 219.82 points in the month to close at 5,491.90 points on March 31. Average daily turnover at DSE also dropped to around BDT430 crore compared with that of BDT765 crore in the previous month.
- The sudden gloomy environment at the market instigated the foreigners to withdraw funds from the capital market. The total foreign turnover at DSE increased to BDT873 crore in March from BDT851 crore in the previous month.

<https://www.dhakatribune.com/business/2019/04/01/foreign-investment-at-dse-turns-negative-in-march>

NBFIs also get extended loan write-off capacity

New Age, April 02, 2019

- Bangladesh Bank has allowed non-bank financial institutions also to write off bad loans like banks without filing lawsuit for recovery. Financial institution and market department of the central bank on Monday issued a circular, allowing NBFIs to write off a loan worth below BDT 2 lakh without filing lawsuit. In the previous policy, the limit was BDT 50,000.
- According to the new policy, NBFIs will also have to write off bad loans after remaining classified under bad criteria for three consecutive years without any possibility of recovery in near future. The previous policy allowed NBFIs to write off loans which remained classified as bad for five years in a row.

- The central bank informed the decision to managing directors and chief executive officers of all scheduled NBFIs in the country. Besides, NBFIs have been given discretionary power to write off bad loans taken by the individuals who deceased after taking the loans or taken by the entities owned by the persons without filing any case.
- NBFIs, however, will have to continue its effort to recover the money by selling collateral or from the guarantor even after the write-off. Earlier, on February 6 this year, BB revised the loan write-off policy for banks almost in the same manner.
- Banks and NBFIs use the mechanism of writing off bad loans to portray better financial condition but they have to keep 100 % provision against the write-off. Besides, recovery of any written-off loan is considered earnings of a bank and NBFIs.

<http://www.newagebd.net/article/68936/nbfis-also-get-extended-loan-write-off-capacity>

DSE to seek tax waiver for SME share trading

New Age, April 02, 2019

- Dhaka Stock Exchange in its budget proposal for financial year 2019-20 will seek tax waiver for share transaction of companies that would be listed with the small capitalised board. The DSE will place its proposal before National Board of Revenue today, DSE officials said.
- Transaction of securities listed with SME platform must pay tax at 0.05 % in line with the existing law for the main market. The bourse will also seek 20 % gap in corporate tax rate between listed companies and non-listed companies instead of 10 % gap to attract more multinational companies to the capital market.
- The bourse will also seek tax exemption on dividend income up to BDT 1 lakh to attract the small investors to invest in capital market and ensure sustainable development of the market. At present, the capital market is facing serious liquidity crisis.

<http://www.newagebd.net/article/68938/dse-to-seek-tax-waiver-for-sme-share-trading>

Nasir becomes MIDAS Financing chair

New Age, April 02, 2019

- Mohammed Nasir Uddin Chowdhury has been elected as the chairman of MIDAS Financing for a period of two years, at its 303rd board meeting recently, said a press release. Currently, Nasir is serving as LankaBangla Securities managing director and LankaBangla Investments director, the release also said. He was the managing director of LankaBangla Finance.
- Nasir also served as the chief executive officer of LankaBangla Securities from July 2002 to April 2011. He is also a director of Bengal Meat Processing Industries, said the release. He also served as the senior vice-president and director of Dhaka Stock Exchange from May 2010 to March 2011 and from May 2008 to May 2010 respectively, the release said.
- He chaired BD Venture, one of the first venture capital organisations in Bangladesh. He is the present president of Bangladesh Merchant Bankers Association. Nasir completed his post- graduation in marketing from the University of Chattogram. He also holds bachelor degree in law. He completed leadership certificate course from Harvard School of Business, USA.

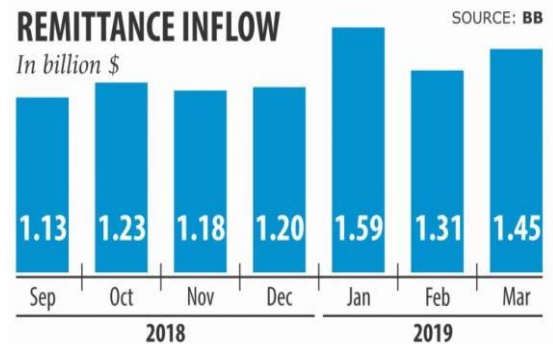
<http://www.newagebd.net/article/68945/nasir-becomes-midas-financing-chair>

Economy

Remittance up 10.28pc

The Daily Star, April 02, 2019

- Inward remittances edged up 10.28 % year-on-year to \$11.87 bn in nine months to March this year thanks to the steady depreciation of the taka against the US dollar.
- The BC selling rate, which is used for import payments and has put a positive impact on the inflow, hovered between BDT 84.20 and BDT 84.30 per dollar last month.
- One year ago, the rate was between BDT 82.95 and BDT 83. The inter-bank exchange rate stood at BDT 84.25 on March 30, up from BDT 82.96 a year earlier. In March, remittances increased 12.17 % year-on-year to \$1.45 bn.



<https://www.thedailystar.net/business/news/remittance-1028pc-1723702>

Defaulted loan recovery slows as govt moves to ease rescheduling

New Age, April 02, 2019

- Banks have been facing a fresh hurdle to recovering defaulted loans in recent weeks following the government's move to give easy rescheduling opportunity for defaulted loans, top officials of banks told New Age. A large number of defaulters have refrained from paying instalments against their loans and opted to wait for the final decision of the government in this connection, they said.
- From mid-March, media reports revealed that the committees of Bangladesh Bank and finance ministry, formed to check the growing volume of defaulted loans, have been planning to offer easy rescheduling policy to loan defaulters.
- Under the existing regulations of the central bank, loan defaulters can reschedule their loans for maximum three years by providing 10 to 15 % down payment. Terming the fresh government measure as a short-term step, he said that the solution to expediting defaulted loan recovery should be a long-term measure.
- If the proposed offer is approved, loan defaulters would be able to reschedule loans with up to 2 % down payment for the outstanding loans worth less than BDT 1,000 crore and 1 % down payment for the outstanding loans worth BDT 1,000 crore or above.
- For instance, a loan defaulter would be allowed to reschedule his/her loan worth around BDT 1,000 crore with just BDT 20 crore in down payment, whereas he/she has to pay BDT 150 crore in down payment for the same purpose under the current rules.
- The amount of defaulted loans in the country's banking system increased to BDT 93,911.4 crore at the end of the year 2018, which was BDT 43,485.71 crore in 2015.

<http://www.newagebd.net/article/68931/defaulted-loan-recovery-slows-as-govt-moves-to-ease-rescheduling>

International

Oil extends gains on tight supply, economic optimism

The Daily Star, April 02, 2019

- Oil rose on Monday, building on its largest first-quarter gains in nearly a decade, as tight supply and positive signs for the global economy supported prices. Brent crude for June delivery was up 96 cents, or 1.42 %, at \$68.54 a barrel by 0900 GMT, having risen 27 % in the January-March period.
- US West Texas Intermediate futures rose 56 cents, or 0.93 %, to \$60.70 a barrel, after gaining 32 % in the first quarter. Positive Chinese factory gauges and signs of progress in Sino-US trade talks have boosted sentiment, helping to buoy regional stock markets.
- The United States and China said they made progress in trade talks that concluded on Friday in Beijing, with Washington saying the negotiations were “candid and constructive” as the world's two largest economies try to resolve their trade war.

<https://www.thedailystar.net/business/news/oil-extends-gains-tight-supply-economic-optimism-1723687>

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