

Stock Market

Stocks take a breather on regulator's moves

New Age, May 01, 2019

- Dhaka stocks gained on Tuesday, ending a two-day plunge as a section of institutional investors went for buying shares after regulator Bangladesh Securities and Exchange Commission in the previous day made a set of decisions to restore order in the country's stock market that has remained volatile for months.
- The key index of Dhaka Stock Exchange, DSEX, advanced by 0.52 %, or 27.38 points, to close at 5,202.85 points on Tuesday after losing 91 points in the previous two sessions. On Monday, BSEC made a number decisions including rectification of capital raising through initial public offering process and ensuring shares lock-in for sponsor-directors and placement shareholders.
- The continuous fall shed 750 points in last four months. The average share prices of energy sector advanced by 1.5 %, textile by 0.8 %, bank by 0.4 % and pharmaceutical by 0.1 %.
- Of the 345 issues traded at DSE on Tuesday, 194 advanced, 106 declined and 47 remained unchanged. The turnover on the bourse increased to BDT 415.17 crore on Tuesday from that of BDT 298.61 crore in the previous trading session.
- DSE blue-chip index DS30 gained 0.59 %, or 10.92 points, to close at 1,846.67 points. Shariah index DSES added 0.52 %, or 6.32 points, to finish at 1,205.14 points.
- National Polymer led the chart of turnover leaders with its shares worth BDT 16.61 crore changing hands on the day. Bank, Generation Next, Monno Ceramic Industries, Fortune Industries, Advent Pharmaceutical, Esquire Knit Composite, Beximco Pharmaceuticals and National Tubes were the other turnover leaders.
- National Feed Mill gained the most on the day with a 9.87-% increase in its share prices while Generation Next Fashions was the worst loser, shedding 8.92 %.

<http://www.newagebd.net/article/71200/stocks-take-a-breather-on-regulators-moves>

BSEC not to take new IPO application till change in rules

New Age, May 01, 2019

- Bangladesh Securities and Exchange Commission on Tuesday postponed receiving any new IPO application until the public issue rules are amended. The commission also decided not to accept any new application from the unlisted companies for the purpose of capital raising, which would diminish the existence of any 'placement shareholders'.
- The regulator also decided that from now on it would not accept any application from the unlisted companies for the purpose of capital raising. The commission made the decision as it faced criticism that companies sell share certificates to public showing the regulator's capital raising approval.
- The capital market has been going through a severe losing phase due to the rampant IPO approval with lack of verification of companies' business position. These fundamentally poor companies issued huge amount of placement shares just before coming to the secondary market to dump the shares on public.

- Therefore, the commission moved to rectify the IPO approval system to ease the ongoing situation in the market. There would be no placement holders from now on. The placement holders would automatically become shareholders and would incur 3-year shares lock-in.
- The commission at the meeting also approved Mutual Trust Bank to sell 6.37 crore shares to NORFUND. The commission at the meeting allowed Delta Brac Housing Finance Corporation Limited to float bond worth BDT 300 crore.

<http://www.newagebd.net/article/71198/bsec-not-to-take-new-ipo-application-till-change-in-rules>

BTRC hikes 7.4cr mobile users' call tariff to punish GP

New Age, May 01, 2019

- Nearly half of the country's mobile phone users will have to pay higher charges for making calls due to a regulatory decision hiking prices of phone calls made by Grameenphone subscribers. Consumer rights campaigners, however, criticised the regulatory move citing it as sheer madness.
- Bangladesh Telecommunication Regulatory Commission on Tuesday decided to increase the lowest call tariff by BDT 0.05 per minute for the GP subscribers only under the significant power rules to contain growth of the mobile phone operator.
- The minimum call tariff for the GP subscribers would be BDT 0.5 per minute excluding value added taxes, supplementary duty and surcharge while the rate would remain unchanged at BDT 0.45 per minute for the subscribers of three other operators.
- Currently, a total of 21.75 % taxes including VAT, supplementary duty and surcharge are imposed on mobile services. Including VAT, SD and surcharge, mobile users are paying BDT 0.54 per minute while the rate will now stand at BDT 0.61 per minute for the GP customers.

<http://www.newagebd.net/article/71197/btrc-hikes-74cr-mobile-users-call-tariff-to-punish-gp>

Summit LNG begins supplying gas to national grid

The Daily Star, May 01, 2019

- Summit LNG Terminal Co Ltd (SLNG) has begun supplying re-gasified liquefied natural gas to the national grid in a development that will go a long way to help Bangladesh fix its energy shortage. SLNG, the country's second LNG terminal, successfully completed the commissioning of its floating storage and re-gasification unit (FSRU) at 10pm on Monday, said Summit Group in a statement yesterday.
- The unit has a capacity of supplying 500 mn cubic feet of re-gasified LNG. This is the second FSRU that will re-gasify and supply gas to Bangladesh, after Excelerate Energy of the US began supplying re-gasified LNG to Bangladesh from its terminal in Moheshkhali in August last year.
- The second FSRU is 75 % owned by Summit Corp, a unit of Summit Power International, and the remaining by Japan's Mitsubishi Corp. Summit LNG is moored six kilometers off the island of Moheshkhali in Cox's Bazar. Summit Power International has chartered the vessel from Excelerate Energy for 15 years.

<https://www.thedailystar.net/business/news/summit-lng-begins-supplying-gas-national-grid-1737409>

Coppertech to allocate 20m IPO shares

The Financial Express, May 01, 2019

- Coppertech Industries will allocate 20 mn ordinary shares among the successful applicants as the company's IPO lottery draw was held on Tuesday. The lottery draw was held at 10:30am at The AGB Colony Community Center, Motijheel in Dhaka.
- The result has been published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company after the programme. The securities regulator-Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech on December 26, 2018.
- The company raised a capital worth BDT 200 mn by offloading 20 mn ordinary shares under the fixed price method.

<http://thefinancialexpress.com.bd/stock/coppertech-to-allocate-20m-ipo-shares-1556705258>

EBL raises BDT 465cr for Bangla Trac Power

The Daily Star, May 01, 2019

- Eastern Bank Ltd, as the lead arranger and agent, has raised a syndication term loan of BDT 465.6 crore for Bangla Trac Power Unit-2 Ltd, one of the sister concerns of Bangla Trac Group. The 100-megawatt power plant in Noapara, Jashore has been in commercial operation since April 2018, the bank said in a statement yesterday.
- The other participating lenders are Bangladesh Infrastructure Finance Fund Ltd, Saudi Bangladesh Industrial and Agricultural Investment Company Ltd (SABINCO), Rupali Bank, and Shahjalal Islami Bank.

<https://www.thedailystar.net/business/news/ebi-raises-BDT-465cr-bangla-trac-power-1737403>

Power Grid's EPS up 106pc

The Daily Star, May 01, 2019

- Earnings per share (EPS) of Power Grid, listed in the power sector, rose 106.88 % year-on-year to BDT 1.82 in the January-March quarter of 2019. The company's net asset value (NAV) was BDT 132.15 as of March 31.

<https://www.thedailystar.net/business/news/power-grids-eps-106pc-1737394>

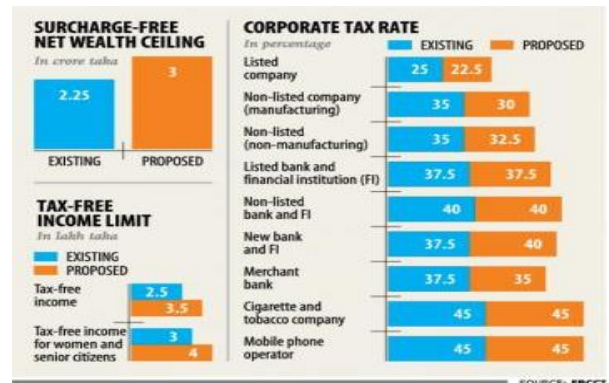
Economy

Bring down corporate tax

FBCCI also calls for higher tax-free income limit

The Daily Star, May 01, 2019

- The country's apex trade body yesterday demanded a 2.5 %age point reduction in corporate tax for both listed and non-listed companies and a hike in tax-free income limit for individual taxpayers for fiscal 2019-20.
- The Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) appealed for fixing the tax rate for manufacturing companies at 30 % for next fiscal year to encourage investment and job creation.
- Also, it urged the government for extension of loan rescheduling facility for small borrowers in line with big borrowers. Large borrowers have got rescheduling benefit for 20 years. At the meeting, the FBCCI demanded automaton of tax administration, removal of advance income tax on imports, increased incentives for exports, hike in surcharge-free net wealth threshold and multiple rates of VAT.
- The apex chamber welcomed the finance minister's decision to introduce multiple rates of VAT instead of a single rate and increase the VAT-free turnover limit to BDT 50 lakh annually from BDT 36 lakh. It however suggested reduction of turnover tax rate to 3 % in place of 4 %.



<https://www.thedailystar.net/business/news/bring-down-corporate-tax-1737424>

Apex trade body to seek cut in corporate tax rates

The Daily Star, May 01, 2019

- The country's apex trade body is set to propose upward adjustment of tax-free threshold for individual taxpayers, reduction in the corporate tax rates and withdrawal of advance tax for import of raw materials for the upcoming budget.
- In its budget proposal for financial year (FY) 2019-20, the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) will also suggest carrying out an impact assessment on the new VAT law.
- It will also seek clarification on the proposed changes in VAT rates in the new VAT law that may replace the existing measures, including tariff value, value declaration process and the protection of local industry through Supplementary Duty (SD).
- The apex trade body is expected to submit its pre-budget proposal before the finance minister today (Tuesday) at the 40th budget consultative committee meeting, jointly organised by the National Board of Revenue (NBR) and the FBCCI.

- The FBCCI also seeks effective public-private partnership in making the new VAT law a success. The new VAT and Supplementary Duty Act, passed by parliament in 2012, is scheduled to come into force on July 1, 2019, replacing the existing VAT law of 1991.
- As per decision of the finance minister on March 31, 2019, there will be four VAT rates in the new law -- 5, 7.5, 10 and 15 % -- instead of uniform rate of VAT at 15 %. Also, the VAT-free threshold for small businesses will be BDT 5.0 mn and turnover tax limit up to BDT 30 mn.

<http://thefinancialexpress.com.bd/trade/apex-trade-body-to-seek-cut-in-corporate-tax-rates-1556594853>

Implementation capacity the main hindrance to growth ambitions

ADB's director general for South Asia says

The Daily Star, May 01, 2019

- Bangladesh's capacity to implement large volumes of infrastructure projects will be the main stumbling block to realising the country's growth ambitions, said a top official of the Asian Development Bank.
- The country's implementation capacity is growing, he said, citing the Manila-based multilateral lender's lending to Bangladesh last year as to further his point.
- In 2018, the ADB lent \$2.2 bn to Bangladesh, which was above its normal allocation of \$1.5 bn. The country needs to grow at 8 % for the next 20 years to meet its growth ambitions, according to Kim.
- The programme brings together Bangladesh, Bhutan, India, Maldives, Myanmar, Nepal, and Sri Lanka in a project-based partnership that aims to promote regional prosperity, improve economic opportunities and build a better quality of life for the people of the sub-region.
- SASEC seeks to assist member countries in improving energy security by developing infrastructure and promoting intraregional power trade to reduce costs and import dependence. The ultimate goal is to come up with a regional power market in which countries with surplus energy can contribute.

<https://www.thedailystar.net/business/news/implementation-capacity-the-main-hindrance-growth-ambitions-1737523>

International

China, US hold 'productive' trade talks in Beijing

The Financial Express, May 01, 2019

- China and the United States held "productive" trade talks in Beijing on Wednesday and will continue discussions in Washington next week, U.S. Treasury Secretary Steven Mnuchin said, as the two try to end their trade war.
- Mnuchin, along with U.S. Trade Representative Robert Lighthizer, held a day of discussions, before Chinese Vice Premier Liu He goes to Washington next week for another round of talks in what could be the end game for negotiations, reports Reuters.
- The three men appeared before cameras at the end of their talks at a state guest house in Beijing, chatting amiably amongst themselves but did not speak to reporters. China's official Xinhua news agency, in a brief

report, simply noted that the latest talks had taken place and that the next rounds of talks would take place in Washington next week as planned.

- Liu had entertained his U.S. guests on Tuesday night just after they arrived in the Chinese capital. Beijing and Washington have cited progress on issues including intellectual property and forced technology transfer to help end a conflict marked by tit-for-tat tariffs that have cost both sides billions of dollars, disrupted supply chains and roiled financial markets.
- But U.S. officials say privately that an enforcement mechanism for a deal and timelines for lifting tariffs are sticking points. Chinese officials have also acknowledged that they view the enforcement mechanism as crucial, but say that it must work two ways and cannot put restraints only on China.

<http://thefinancialexpress.com.bd/economy/global/china-us-hold-productive-trade-talks-in-beijing-1556719814>

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