

Stock Market

Dhaka stocks end flat in volatile trading

New Age, October02, 2018

- Dhaka stocks ended flat on Monday as a section of investors went on with bargain hunting while many others remained cautious ahead of the general election. DSEX, the key index of Dhaka Stock Exchange, added 0.01 %, or 0.95 points, to close at 5,369.91 points on Monday after gaining 26.06 points in the previous session.
- The average share prices of non-bank financial institution, textile and telecommunication advanced by 1.70 %, 1.10 % and 0.34 % respectively. Among the large capitalised scrips, the share prices of Investment Corporation of Bangladesh and IFAD Autos advanced most while British American Tobacco, United Power Generation Company, Khulna Power Company and Titas Gas declined most on the day.
- Investors went on heavy share sales from the energy sector and the sector lost 1.27 % after 2.11 % gain in the previous day. The average share prices of food, cement and bank declined by 1.42 %, 0.56 % and 0.02 % respectively.
- The turnover on DSE increased to BDT 550.52 crore on Monday compared with that of BDT 516.42 crore in the previous trading session. Of the 335 companies and mutual funds traded on Monday, 183 advanced, 117 declined, and 37 remained unchanged. DS30, the blue-chip index of DSE, however, lost 0.07 %, or 1.37 points, to close at 1,888.33 points. Shariah index DSES gained 0.09 %, or 1.11 points, to finish at 1,240.18 points.
- IFAD Autos led the turnover chart with its shares worth BDT 53.69 crore changing hands. United Power Generation Company, Khulna Power Company, SK Trims Industries, BBS Cables, Intech Limited, Monno Ceramics, Active Fine Chemicals, Bashundhara Paper Mills and Olympic Industries were the other turnover leaders.

<http://www.newagebd.net/article/52120/dhaka-stocks-end-flat-in-volatile-trading>

Net foreign investment at DSE rises after 5 months

New Age, October02, 2018

- The net foreign portfolio investment at Dhaka Stock Exchange snapped a five-month negative run in September as the overseas investors went for bargain hunting in the bearish market. In September, the foreign portfolio investors brought shares worth BDT 247.50 crore against their sales of shares worth BDT 212.34 crore with their net investment standing at BDT 35.16 crore after five consecutive months of negative figure.
- Before September, the FPIs pulled out BDT 552.14 crore from the Bangladesh capital market in five months as they anticipated that the political tensions surrounding the national election would drag down the market. In August, the net foreign investment was BDT 5.75 crore negative as the foreign investors sold shares worth BDT 181.76 crore against their purchase of shares worth BDT 176.01 crore. The net foreign investment remained negative for five consecutive months since April. It was BDT 24.69 crore negative in April, BDT 282.32 crore negative in May and BDT 206.68 crore negative in June.
- The net investment by the foreign investors at the country's premier bourse surged to BDT 1,704.94 crore in 2017 from BDT 1,340.70 crore in 2016. Overseas investors' turnover at the bourse was BDT 3,362.11 crore in 2010, BDT 1,904.19 crore in 2011, BDT 2,355.23 crore in 2012, BDT 2,834.90 crore in 2013, BDT 6,600.94 crore in 2014 and BDT 7,465.4 crore in 2015.

The net overseas investment at the bourse was negative BDT 767.58 crore in the year of market crash (2010).

<http://www.newagebd.net/article/52120/dhaka-stocks-end-flat-in-volatile-trading>

Summit Alliance recommends 12.50pc cash div

The Financial Express, October01, 2018

- The board of directors of Summit Alliance Port Limited has recommended 12.50 % cash dividend for the year ended on 30 June 2018. The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on November 10 at 11:30am at Summit Alliance Port Depot (West), Katghar, South Patenga in Chittagong. The record date is 18 October 2018.
- The company has also reported consolidated earnings per share (EPS) of BDT 0.62, consolidated net asset (NAV) per share of BDT 24.70 and consolidated net operating cash flow per share (NOCFPS) of BDT 1.07 for the year ended on 30 June 2018 as against BDT 0.67, BDT 25.04 and BDT 1.26 respectively for the same period of the previous year.
- The company disbursed 15 % cash dividend for the year ended on June 30, 2017. There will be no price limit on the trading of the shares of the company today following its corporate declaration. Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in 2008, closed at BDT 24.50 on Sunday.
- The company's paid-up capital is BDT 2.23bn and authorised capital is BDT 3.0bn, while the total number of securities is 223.29mn. The sponsor-directors own 58.99 % stake in the company, institutional investors 10.28 %, foreign 3.71 % and the general public 27.02 % as on August 30, 2018, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/bangladesh/summit-alliance-recommends-1250pc-cash-div-1538369825>

Unique Hotel joins consortium to invest in 600MW power plant

Decides to pay BDT 2.72b as equity of Unique Meghnaghat project

The Financial Express, October02, 2018

- A consortium, led by Unique Hotel & Resorts, will set up a 600 megawatt power plant to be based on gas or regasified liquefied natural gas (RLNG) at Meghnaghat of Narayanganj. The board of directors of Unique Hotel has decided to pay BDT 2.72bn as equity in advance to Unique Meghnaghat Power Plant, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Sunday.
- The Unique Hotel will pay the amount for advance payment of 10 % of contract value for engineering, procurement and construction (EPC) works to GE Global Parts & Products GmbH as per the commitment agreement for implementation of the power plant, said the disclosure.
- Earlier on June 27, Unique Hotel informed that the consortium of Unique Hotel, Guayama PR Holdings BV and Strategic Finance Ltd received a letter of Intent (LOI) from Bangladesh Power Development Board (BPDB).
- The sponsor and initial shareholding position of the company is Unique Hotel 65.01 %, Guayama PR Holdings BV with 30 % and Strategic Finance 4.99 %.
- The company will set up necessary transmission lines and sub-stations at its own cost. The company disbursed 20 % cash dividend for the year ended on June 30, 2017. The company's earnings per share (EPS) stood at BDT 1.73 in nine months for July 2017-March 2018 as against BDT 1.49 for July 2016-March 2017.

<http://thefinancialexpress.com.bd/stock/unique-hotel-joins-consortium-to-invest-in-600mw-power-plant-1538368670>

BSEC to organise investors' week October 07-11

The Financial Express, October02, 2018

- The securities regulator will organise the 'World Investor Week 2018' during October 7-11 to create awareness among the general investors. The week will be observed in accordance with the declaration of International Organisation of Securities Commissions (IOSCO), a global cooperative of securities regulatory bodies.

- Finance Minister AMA Muhith is expected to inaugurate the event in Dhaka. During the week, Bangladesh Securities and Exchange Commission (BSEC) will arrange seminars, workshops and discussion meetings to be participated by general investors and stakeholders of the capital market.

<http://thefinancialexpress.com.bd/stock/bsec-to-organise-investors-week-october-07-11-1538454364>

Olympic industries to import cap machinery

The Financial Express, October01, 2018

- The board of directors of Olympic Industries has decided to import capital machinery worth BDT 136.87mn for enhancing the production capacity. The company will import a wafer manufacturing line, complete with ancillary machinery, from Franz Haas Waffelmaschinen GmbH, Austria, at an estimated cost of BDT 125.45mn, according to a disclosure posted on the DSE website on Sunday.
- The line will be installed at the company's Lolati factory premises and will have an estimated annual capacity of 1,800 metric tonnes after installation. The company will also import a toffee manufacturing line, complete with ancillary and packing machinery, from India, at an estimated cost of BDT 11.42mn to be funded from the company's own sources and bank financing.
- The line will be installed at the company's Madanpur factory premises and will have an estimated annual capacity of 1,800 metric tonnes after installation. Each share of the company, which was listed on the DSE in 1989, closed at BDT 205, advancing 0.24 % over the previous session. The company's share traded between BDT 185 and BDT 296 each last year.
- The food & allied sector company disbursed 45 % cash dividend for the year ended on June 30, 2017. The company's earnings per share (EPS) stood at BDT 6.71 in nine months for July 2017-March 2018 as against BDT. 6.44 for July 2016-March 2017.
- The net operating cash flow per share (NOCFPS) was BDT 2.62 for July 2017-March 2018 as against BDT 4.19 for July 2016-March 2017. The net asset value (NAV) per share was BDT 29.28 as on March 31, 2018 and BDT 25.26 as on March 31, 2017.

<http://thefinancialexpress.com.bd/stock/olympic-industries-to-import-cap-machinery-1538369189>

NBR may slap 15pc VAT, 2.0pc AIT on import of LNG

BERC to declare fresh gas tariff after SRO

The Financial Express, October02, 2018

- The country's energy regulator is waiting for issuance of a Statutory regulatory order (SRO) by the National Board of Revenue (NBR), waiving supplementary duty (SD) and customs duty (CD) on import of LNG, before announcing a fresh hike in gas tariff, said officials.
- The state-run Petrobangla might have to pay 15 % VAT (value added tax) and 2.0 % AIT (advance income tax) to public exchequer, as the government high-ups have decided to keep the domestic natural gas prices at 'rational' level to provide respite to the consumers.
- A decision to waive the duties has already been made following a series of discussions among Prime Ministers' Office (PMO), Ministry of Power, Energy and Mineral Resources, National Board of Revenue (NBR) and Petrobangla. Petrobangla, however, is arguing the necessity to waive AIT as well against LNG import.
- Separately, NBR is expected to waive the existing 93.25 % SD, currently being charged by NBR on gas sales. Bangladesh has started supplying re-gasified LNG to Chattogram consumers following commencement of commercial supply of

LNG from Excelerate Energy's Moheshkhali FSRU on August 18, around four months after entry of the LNG-loaded FSRU.

- With the existing tariff structure, the blended gas price will be around BDT 10.91 per cubic metre after importing around 500 mmcf of LNG at \$ 10.76 per cubic metre. Petrobangla, however, has been unloading LNG with enjoying exemption from payment of SD and CD, but paying 15 % VAT and 2.0 % AIT following an interim order of NBR. Petrobangla demanded the blended gas price at BDT 9.69 per cubic metre after importing around 500 mmcf of LNG.

<http://thefinancialexpress.com.bd/trade/nbr-may-slap-15pc-vat-20pc-ait-on-import-of-lng-1538451169>

Economy

EBL, Summit strike interest rate swap deal

The Daily Star, October02, 2018

- Eastern Bank has struck an interest rate swap deal with Summit Group, a first-of-its-kind agreement for a local bank. An interest rate swap is a contract between two parties to exchange interest payments with the view to reducing or increasing exposure to fluctuations in interest rates or obtaining a marginally lower interest rate.
- The deal struck up yesterday at the EBL headquarters in Dhaka pertains to the interest payment on the \$71.25mn loans taken by concerns of Summit Group -- Barisal Power and Summit Narayanganj Power Unit II -- in December 2016.
- The interest rate on the loans -- taken from Infrastructure Development Company Ltd (IDCOL) and the Islamic Corporation for the Development of the Private Sector (ICD) -- is 3-month LIBOR plus 4.25 %.
- As per the swap deal, the EBL will pay the interests to the IDCOL and ICD as per the original loan conditions, while the two Summit concerns will pay the local bank a fixed rate of 4.25 % plus swap rate, which is nearly 3 %, for the next five years. At present, the 3-month LIBOR is 2.38 %; if it shoots upwards of 3 % anytime over the next five years the two Summit companies profit.
- Conversely, if the rate stays the same or declines, the EBL profits as the fixed payments received from Summit would be higher than what it would be paying out to the IDCOL and ICD.
- Azeza Aziz Khan, director of Summit Corporation, expressed gratitude to the EBL as the lender has kept its faith on Summit. Abdul Wadud, managing director of Summit Power, said that it was a unique agreement by the EBL and Summit.

<https://www.thedailystar.net/business/news/eb1-summit-strike-interest-rate-swap-deal-1641493>

NBR to set up tax unit for foreign cos

New Age, October02, 2018

- National Board of Revenue has decided to set up a separate unit to handle income tax files of foreign companies operating in Bangladesh. The decision was taken responding to a proposal of the European Union for establishing a separate NBR unit for providing hassle-free services to foreign taxpayers.
- EU came up with the recommendation at the third 'EU-Bangladesh Business Climate Dialogue' held in Dhaka last year. NBR is now preparing a proposal for formation of the unit for placing before the finance and public administration ministries by next month.

- NBR has already decided to give foreign taxpayers expedited services from the existing income tax zones by dedicated officials. Earlier, on September 17, NBR appointed senior tax officials at each of 30 income tax zones as focal point officers to provide information to foreign SMEs and prospective foreign investors regarding tax-related provisions, incentives and business process. Focal point officers across the country will provide one-stop services to foreign investors and taxpayers.
- NBR officials said that they would apprise the EU-Bangladesh Business Climate Dialogue, a platform of European Union Business Council and Bangladesh commerce ministry, about the latest move and decision on new tax unit. Currently, large taxpayers unit (LTU) of the NBR's income tax wing handles the tax files of large MNCs but other foreign companies, particularly small- and medium-sized firms, files their tax returns with various tax zones located across the country.
- All foreign companies including the large MNCs like Grameenphone, Unilever and British American Tobacco will come under the new unit. According to NBR, some 1,000 foreign companies and other foreign entities are operating their business activities in Bangladesh either directly or through their representative offices, branch offices and liaison offices.

<http://www.newagebd.net/article/52117/nbr-to-set-up-tax-unit-for-foreign-cos>

Home textile exporters in a tight corner

A number of mills are shutting down amid competition

The Daily Star, October 01, 2018

- At a time when home textiles, especially terry towels, promise both enhanced earnings and diversity to Bangladesh's export basket, many mills are shutting down unable to compete at international markets. At least 10 small and medium factories have shuttered in the past two years while another three to five are struggling to survive, according to data from the Bangladesh Terry Towel & Linen Manufacturers & Exporters Association.
- In fiscal 2017-18, export of Bangladesh's home textiles, including terry towels, bedsheets, linen, curtains and pillow covers, grew 9.95 % year-on-year to reach \$878.68mn. However, terry towel export declined 4.40 % year-on-year to \$42.35mn last fiscal year, according to data from the Export Promotion Bureau.
- The sector's growth started to witness a decline from January 2014, when the European Union (EU) allowed zero-duty benefit to Pakistan under its GSP Plus scheme, on export of home textiles and some other products.
- Another factor behind the closure is the high price of yarn in the local market. The widely consumed 16 carded yarn, which is used in manufacturing terry towels, is currently being traded at \$2.25-\$2.30 a kilogramme whereas it was around \$1.80-\$2 in June and July last year, shows the association data.
- Furthermore, a 26 % devaluation of the Pakistani rupee against the US dollar in the last three years also aided their performance. Bangladeshi taka devalued 8 %. The price of cotton per pound in the international market rose to nearly 93 cents at present. It was selling at 65 cents even a year ago. The global retail value of home textiles was estimated to be about \$107.24bn in 2014. Industry insiders expect it to reach \$131.50bn by 2020.

<https://www.thedailystar.net/business/news/home-textile-exporters-tight-corner-1641502>

International

Brent oil hits four-year high ahead of Iran sanctions, but demand may stutter

The Financial Express, October01, 2018

- Brent crude oil prices rose to their highest since November 2014 on Monday ahead of US sanctions against Iran, the third-largest producer in the Organization of the Petroleum Exporting Countries (OPEC), that kick in next month.
- Benchmark Brent crude oil futures rose to as much as \$83.32 a barrel on Wednesday and were at \$83.09 at 0335 GMT, still 36 cents, or 0.4 % above their last close. US West Texas Intermediate (WTI) crude futures were up 19 cents, or 0.3 %, at \$73.44 a barrel.
- WTI prices were supported by a report on Friday of a stagnant rig count in the United States, which points to a slowdown in US crude production, which now rivals top producers Russia and Saudi Arabia. Brent was pushed up by looming sanctions against Iran, which will start targeting its oil sector from November 4.
- In a sign that the financial market is positioning itself for further price rises, hedge funds increased their bullish wagers on US crude in the week to September 25, data from the US Commodity Futures Trading Commission (CFTC) showed on Friday, increasing futures and options positions in New York and London by 3,728 contracts to 346,566 during the period.
- In a further sign of the impact that the US sanctions on Iran will have on the market, China's Sinopec said it is halving loadings of Iranian crude oil this month. China is the biggest buyer of Iranian oil. Trading activity will be low in China this week due to the Golden Week holiday there.
- With oil prices soaring, there are concerns over their inflationary effect on demand growth, especially in Asia's emerging markets where weakening currencies are further adding to high fuel import costs.

<https://thefinancialexpress.com.bd/trade/brent-oil-hits-four-year-high-ahead-of-iran-sanctions-but-demand-may-stutter-1538386500>

Gold slips as dollar firms amid Fed rate hike view

The Financial Express, October01, 2018

- Gold prices dipped on Monday as the dollar firmed in the wake of indications from the US Federal Reserve last week that it will pursue a tighter monetary policy. The Fed raised US interest rates last week and said it planned four more increases by the end of 2019 and another in 2020, amid steady economic growth and a strong job market.
- Higher US interest rates tend to boost the dollar and push bond yields up, putting pressure on gold prices by increasing the opportunity cost of holding non-yielding bullion. Spot gold was down 0.3 % at \$1,188.41 at 0407 GMT. On Friday, gold touched its lowest since August 17 at \$1,180.34 an ounce.
- The dollar index was up 0.1 % versus a basket of major currencies, and hovered close to a near three-week high hit in the previous session. Gold has fallen about 13 % from an April high, largely because of the stronger dollar, which has been boosted by a vibrant US economy and fears of a global trade war. Investors have bought the greenback instead of gold as a safe investment.
- Gold speculators raised their net short position by 2,923 lots to 77,313 lots, the largest in three weeks, in the week to September 25, US Commodity Futures Trading Commission (CFTC) data showed. Among other precious metals, palladium fell 0.7 % at \$1,065.41, after touching a fresh eight-month high at \$1,094.60 an ounce in the previous session. Silver was down 0.3 % at \$14.55 per ounce, while platinum fell 0.4 % to \$808.60 per ounce.

<https://thefinancialexpress.com.bd/trade/gold-slips-as-dollar-firms-amid-fed-rate-hike-view-1538374521>

American, Japanese professors win Nobel Medicine Prize for cancer therapy

The Financial Express, October01, 2018

- American James Allison and Japanese Tasuku Honjo won the 2018 Nobel Prize for Physiology or Medicine for discoveries leading to new approaches in harnessing the immune system to fight cancer. The Nobel Assembly at Sweden's Karolinska Institute made the announcement on Monday on awarding the prize of 9mn Swedish crowns (\$1mn), reports Reuters.
- Both laureates studied proteins that prevent the body and its main immune cells, known as T-cells, from attacking tumour cells effectively. Allison, professor at the University of Texas MD Anderson Cancer Centre, studied a protein that functions as a brake on the immune system and realised the potential for unleashing immune cells to attack tumours if the brake could be released.
- Honjo, professor at Kyoto University since 1984, separately discovered a second protein on immune cells and revealed that it too operated as a brake, but with a different mechanism.
- Medicine is the first of the Nobel Prizes awarded each year. The prizes for achievements in science, literature and peace were created in accordance with the will of dynamite inventor and businessman Alfred Nobel and have been awarded since 1901.

<http://thefinancialexpress.com.bd/health/american-japanese-professors-win-nobel-medicine-prize-for-cancer-therapy-1538389342>

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