

Stock Market

Stocks end flat as market trend keeps investors confused

New Age, October 01, 2019

- Dhaka stock ended flat on Tuesday as investors, unnerved by the recent market behaviour, continued trading cautiously. DSEX, the prime index of Dhaka Stock Exchange, added 0.03 %, or 1.75 points, to close at 4,949.39 points on Tuesday after losing 28.09 points in the previous session.
- Turnover on the bourse plunged to BDT 304.29 crore on Tuesday from BDT 595.78 crore in the previous session. The government has recently taken several steps including increasing fund flow to the market and resolving audit claim issue of Grameenphone to stabilise the market, but failed to change the scenario.
- The average share prices of general insurance dropped by 1.2 %, telecommunication 0.9 %, bank 0.6 % and non-bank financial institution fell by 0.3 % on Tuesday. The textile sector advanced by 1.9 %, engineering 1.0 % and energy gained 0.4 %.
- Out of the 352 scrips traded on the day, 113 declined, 183 advanced and 56 remained unchanged. Blue-chip index DS30, however, shed 0.01 %, or 0.21 points, to close at 1,759.75 points. DSE Shariah index DSES gained 0.13 %, or 1.51 points, to close at 1,140.21 points.
- JMI Syringe led the turnover chart with its shares worth BDT 12.16 crore changing hands on the day. Beacon Pharmaceuticals, Bangladesh Shipping Corporation, Stylecraft, National Tubes, Monno Ceramic Industries, Monno Jute Stafflers, SEML FBSL Growth Fund, Bangladesh Submarine Cable Company and Sonar Bangla Insurance were the other turnover leaders.
- Miracle Industries gained the most on the day with a 9.94-% increase in its share prices while Mithun Knitting and Dyeing was the worst loser, shedding 9.47 %.

<http://www.newagebd.net/article/86311/stocks-end-flat-as-market-trend-keeps-investors-confused>

Fundraising thru IPO remains sluggish

Seven cos raise BDT 4.95b in nine months

The Financial Express, October 02, 2019

- Fundraising through initial public offerings (IPOs) remained sluggish as only seven companies raised BDT 4.95 bn, including premium, through IPOs in January-September period of this year. The nine-month figure is down 1.20 % year on year, according to the Dhaka Stock Exchange (DSE) data.
- During January-September of 2018, as many as 11 companies, mostly small ones, raised a combined BDT 5.01 bn through IPOs, the DSE data show. This year, two companies used book-building method while five other companies fixed-price method to launch IPOs in the capital market.
- The two companies that used book-building method are Square Knit Composite (BDT 1500 mn) and Runner Automobiles (BDT 1000 mn). Five other companies are New Line Clothings (BDT 300 mn), Silco

Fundraising through IPOs in Jan-Sept			
Company	Face value	Premium	Amount (Tk in million)
Esquire Knit	Tk 10	Tk 35	1500
Runner Automobiles	Tk 10	Tk 65	1000
New Line Clothings	Tk 10	-	300
Silco Pharma	Tk 10	-	300
Coppertech	Tk 10	-	200
Sea Pearl Beach	Tk 10	-	150
Ring Shine Textile	Tk 10	-	1500
Total			4,950
Source: Dhaka Stock Exchange			

Pharmaceuticals (BDT 300 mn), Coppertech Industries (BDT 200 mn), Sea Pearl Beach Resorts (BDT 150 mn) and Ring Shine Textiles (BDT 1500 mn).

- Most of the funds, raised through IPOs, were meant for business expansion, repayment of loans and working capital requirements.

<http://thefinancialexpress.com.bd/stock/fundraising-thru-ipo-remains-sluggish-1569906945>

Golden Harvest to increase investment in Domino's Pizza

The Financial Express, October 02, 2019

- Harvest Agro Industries Ltd has decided to increase its equity investment in Domino's Pizza through its associate company -- Golden Harvest QSR Ltd. The Golden Harvest QSR Ltd will invest BDT 110 mn in Domino's, out of which 30 % or BDT 33 mn will come from Golden Harvest Agro Industries Ltd, according to an official disclosure on Tuesday.
- On March 7, 2018, a joint venture company -- Jubilant Golden Harvest Ltd -- was formed by Jubilant FoodWorks Ltd (JFL) which owns Domino's Pizza chain in India and Golden Harvest QSR Ltd, to set up stores in Bangladesh.
- Domino's Pizza was officially launched on 15 March, 2019 with the grand opening of its first restaurant in Rangs Fortune Square, Dhanmondi in Dhaka. Each share of Golden Harvest Agro Industries, listed on Dhaka Stock Exchange in 2013, closed at BDT 31 on Monday.
- In the nine months for July 2018-March 2019, earning per share (EPS) of the company was BDT 1.55 as against BDT 1.13 for July 2017-March 2018. The company disbursed 10 % stock dividend in 2018. The company's paid-up capital is BDT 1.19 bn and authorised capital is BDT 2.50 bn, while the total number of securities is 119.90 mn.
- The sponsor-directors own 33.03 % stake in the company, while the institutional investors own 46.81 %, and the general public 20.16 % as on August 31, 2019, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/golden-harvest-to-increase-investment-in-dominos-pizza-1569911903>

BSEC fines PLFSL sponsor, Adil Securities BDT 1 lakh each

New Age, October 02, 2019

- The Bangladesh Securities and Exchange Commission on Tuesday fined Adil Securities Limited and a sponsor of People's Leasing and Financial Services Limited BDT 1 lakh each for breaching securities rules. The commission made the decision at a meeting presided over by its chairman M Khairul Hossain, said a BSEC press release issued on Tuesday.
- Monowar Hossain, a sponsor of PLFSL, sold 1.58 lakh shares without prior declaration, breaching securities rules. Therefore, the market regulator fined him BDT 1 lakh and froze his beneficiary owners' account with E-Securities Limited.
- The BSEC also directed him to pay capital gain tax he incurred due to sales of those shares. Adil Securities, a brokerage house of the Dhaka Stock Exchange, violated a number of securities rules by providing margin

loans to its director and officials, giving loans to its clients without any margin loan agreement and conducting more than one accounts in the clients' names and not maintaining record of its clients properly.

- Therefore, the commission decided to impose BDT 1 lakh penalty on the brokerage house. The BSEC at the meeting also approved a proposal of rights offer of Golden Harvest Agro Industries Limited.
- Under the approval, GHAIL would issue three right shares against four existing shares of the company that would allow the entity to raise BDT 89.93 crore by floating 8.99 crore shares in the capital market at BDT 10 per share. The company would utilise the fund for the purpose of business expansion along with partial repayment of bank loans.
- The company reported net asset value per share of BDT 22.96 and earnings per share of BDT 0.64 on September 30, 2018, according to the rights issue document. Banco Finance and Investment Limited and Alpha Capital Management Limited are the issue managers of the rights issue.

<http://www.newagebd.net/article/86312/bsec-fines-plfsl-sponsor-adil-securities-BDT-1-lakh-each>

Brac Bank to get \$30m from British financier

The Daily Star, October 01, 2019

- CDC Group, the UK government's development finance institution, yesterday announced to invest \$30 mn (over BDT 25 crore) in Bangladesh's Brac Bank. Bangladesh presents significant opportunities for entities like CDC Group, in financial services, infrastructure and manufacturing, said its chief executive, Nick O'Donohoe.
- O'Donohoe's comments came at a discussion organised at The Westin Dhaka to make public its debt commitment to Brac Bank.
- It was important for the CDC capital to reach those entities to create jobs and help organise private equity and venture capital funds which can provide small amounts of investments to those growing companies, said O'Donohoe.
- Bangladesh offers huge opportunities for its growth and skills, especially considering the need for further capital with foreign direct investment being below 1 percent of the GDP, said Graham Wrigley, chairman of CDC Group.
- The CDC statement mentions of its previous investments in Bangladesh such as \$15 mn for RFL Electronics in 2017, \$103 mn for a 414 megawatt energy project in Sirajganj in 2016, \$25 mn for Grameephone in 2013 and \$20 mn for Frontier Bangladesh II in 2015.

<https://www.thedailystar.net/business/banking/news/brac-bank-get-30m-british-financier-1808230>

Economy

Made in Bangladesh refrigerators dominate market

The Daily Star, October 01, 2019

- Just a decade ago Bangladesh was almost fully dependent on import to meet its demand for refrigerators. But the situation has reversed, with about 80 percent of the demand now met by locally-manufactured ones.

Walton has shown the path by setting up a manufacturing plant in 2008, and in 2016 has even started manufacturing compressors, the vital component of refrigerators.

- In 2018, refrigerator sales were about 22 lakh units, up 10 percent year-on-year, according to industry players. To cash in on the rising demand, Butterfly Marketing, the local distributor of Korean LG, has announced plans to manufacture LG's refrigerators in Bangladesh with a view to providing quality products at a reasonable price.
- Butterfly has invested \$55 mn, which is equivalent to BDT 460 crore, to set up the facilities. According to him, Walton manufactures more than 150 models of refrigerators in the price range of BDT 10,000 to BDT 70,000.
- Vision Electronics, a sister concern of Pran-RFL Group, has also been manufacturing 75 models of refrigerators at its factory in Palash upazila, Narsingdi, established in 2016. Japanese brands are not yet interested in setting up manufacturing plants in Bangladesh as the market size is not big enough for them.

<https://www.thedailystar.net/business/news/made-bangladesh-refrigerators-dominate-market-1808239>

Remittance soars 16.54pc in Q1

The Daily Star, October 01, 2019

- Remittance increased 16.54 percent year-on-year to \$4.51 bn in the first quarter of the fiscal year thanks to a government move that provides 2 percent cash subsidy to remitters for sending money through official channels.
- As per a central bank notice, for amounts of up to \$1,500 expatriates will receive 2 percent cash incentive directly to their accounts without any verification from this fiscal year. For amounts of upwards of \$1,500, sources of income and other documents will have to be presented.
- For instance, the inflows in August were \$1.44 bn, which climbed up to \$1.47 bn the following month – up 28.95 percent year-on-year, according to data from the Bangladesh Bank. The upward trend in remittance will give some breathing space to the government in defending the exchange rate.
- The initiative has also given a momentum to mobilise foreign currency from abroad. The price of petroleum products in the global market is now on the rise, which has given room to Middle Eastern countries to go for economic expansion.
- The exchange rate of the taka against the US dollar is also favourable for remitters, which has encouraged them to send their hard-earned money through the banking channel, said an official of a commercial bank. On September 30, the interbank exchange rate was BDT 84.50 per USD, up from BDT 83.75 a year earlier.

<https://www.thedailystar.net/business/news/remittance-soars-1654pc-q1-1808227>

International

Record US tariff award over Airbus aid could fuel trade tensions

The Daily Star, October 01, 2019

- Transatlantic trade ties face renewed disruption this week when global arbiters are expected to grant the United States a record award allowing it to hit European imports with billions of dollars of tariffs in a long-running aircraft subsidy dispute.
- The World Trade Organization (WTO) has found that both European planemaker Airbus and its US rival Boeing received billions of dollars of illegal subsidies in a pair of cases that have run for 15 years. Both sides have threatened tariffs after the Geneva body found neither adhered fully to its findings. However, the United States has a head start, with the European Union having to wait until early in 2020 to hear what level of retaliation it can exact over Boeing.
- The WTO is expected this week to reveal the amount of EU goods the United States can target. People familiar with the case say the three-person tribunal is expected to award it around \$7.5 bn, a record for the 24-year-old watchdog.
- Such retaliation rights are rarely granted by the WTO - most parties reach settlements - and in many cases complainants do not exercise their rights. The United States though has indicated it will target EU goods to the fullest extent.
- It has already published a \$25 bn list from which it will pick items to target from aircraft and aerospace parts to wine, cheese and luxury goods. The WTO award in the world's largest corporate trade dispute could fuel already strained trade tensions, diplomats say.

<https://www.thedailystar.net/business/news/record-us-tariff-award-over-airbus-aid-could-fuel-trade-tensions-1807699>

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