

Stock Market

Keya Cosmetics share weighed down by sponsors' selloffs

The Daily Star, May 03, 2018

- Four sponsors of Keya Cosmetics, a company listed on the Dhaka Stock Exchange, have sold off 19.42 crore shares to pay off their bank loans, much to the detriment of the stock's price.
- Each Keya Cosmetics share traded at BDT 10.10 on Monday, a decline of 37.5 % from a year earlier, according to data from the DSE.
- As of March 31, sponsors' holdings in Keya Cosmetics stand at 52.15 percent, in contrast to 62.77 % on June 30 last year.
- The shares, which yielded BDT 200 crore, were sold by: Keya Yarn Mills (9.79 crore); Abdul Khaleque Pathan (7.99 crore), managing director of Keya Yarn Mills and chairman of Keya Group; Feroza Begum (1.35 crore), wife of Pathan; and Tansin Keya (29 lakh), ward of Pathan.
- Pathan was arrested in August last year by the Anti-Corruption Commission on charges of misappropriating BDT 111.14 crore by way of loans from state-owned Bangladesh Krishi Bank.
- The loans were taken for Keya Yarn Mills, a spinning mill located at Konabari, Gazipur.

<https://www.thedailystar.net/business/keya-cosmetics-share-weighed-down-sponsors-selloffs-1570795>

Cos unwilling to obey BSEC's latest order

New Age, May 03, 2018

- Companies are reluctant to comply with the securities rules of mandatory holding of minimum 30 % shares by their sponsor-directors jointly due mainly to having limited enforcement tools on the part of the stock market regulator.
- Some companies have recently expressed their unwillingness to follow the rules mentioning 'silly' reasons to the stock exchanges when the bourses asked the companies to ensure compliance with the rules.
- The Dhaka Stock Exchange and the Chittagong Stock Exchange took the initiative after the Bangladesh Securities and Exchange Commission on March 11 asked them to take immediate moves in this regard.
- Olympic Industries and Emerald Oil Industries have expressed their reluctance in complying with the laws amid limited enforcement actions against any violation of the laws.
- According to the rules, in case of non-holding of the jointly 30 % shares, the sponsors-directors would not be able to sell or transfer any shares until acquisition of the aforesaid amount of shares and the companies would not be able to declare rights share and raise capital through repeat public offer.
- The capital market regulator came up with the notification in 2011 after the 2010-11 market crash with a view to increasing sponsor-directors' share purchasing to stabilise the market

<http://www.newagebd.net/article/40290/cos-unwilling-to-obey-bsecs-latest-order>

DSE submits revised proposal to BSEC

The Daily Star, May 03, 2018

- Dhaka Stock Exchange (DSE) formally submitted the revised proposal of Chinese consortium, a proposed strategic partner of the premier bourse, to Bangladesh Securities and Exchange Commission (BSEC) Monday.
- The proposal was submitted after taking shareholders' approval to the share sale agreement at an extra-ordinary general meeting (EGM) held at a city hotel.
- The shareholders of the premier bourse approved the proposal of the exchange's share sale agreement with the Chinese consortium on Monday, while accepting the financial and technical offer by the consortium comprising Shenzhen Stock Exchange and Shanghai Stock Exchange, a DSE statement said.
- By purchasing 25 %shares of the DSE, the Chinese consortium will be the strategic partner of the premier bourse as part of completing the demutualisation process.
- The DSE held the EGM to take shareholders' approval to share sale agreement following the conditions recently imposed by the regulator.

<https://thefinancialexpress.com.bd/stock/dse-submits-revised-proposal-to-bsec-1525233303>

Economy

Capital machinery imports refuse to slow down

The Daily Star, May 03, 2018

- Capital machinery imports continue to soar amid concerns of money laundering by way of over- and under-invoicing centring on the national elections, due to be held at the end of the year.
- In the first eight months of the fiscal year, import orders for capital machinery soared 30.36 %year-on-year to \$4.42 bn, according to data from the Bangladesh Bank.
- Capital machinery imports enjoy zero to 7.5 %tariff depending on the industries and the location of the factory. Typically, in an election year, businesses hold off from making a fresh investment because of the uncertainty, so capital machinery imports should not increase.
- Furthermore, private investment to GDP ratio is stagnant, according to AB Mirza Azizul Islam, a former finance adviser to a caretaker government.
- He, however, said businesses have recently imported capital machinery to set up new industrial units in the garment, textile, power, and liquefied petroleum gas sectors.
- Settlement of letters of credit for capital machinery in the July-February of 2017-18 though decreased to \$3.503 bn from \$3.507 bn a year earlier.

<https://www.thedailystar.net/business/capital-machinery-imports-refuse-slow-down-1570798>

Thailand keen to invest in large infrastructure projects

The Daily Star, May 03, 2018

- Thailand wants to invest in Bangladesh's large infrastructure projects as part of efforts to boost bilateral trade and economic ties, a top Thai minister said yesterday.

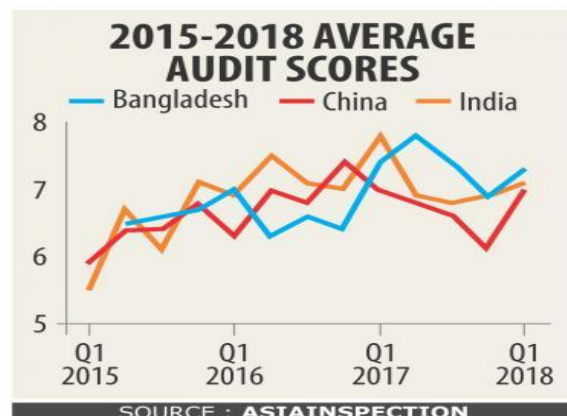
- Bangladesh needs more power plants, water treatment plants, highways, seaports, airports and new terminals, said Kobsak Pootrakool, a minister attached to Thai Prime Minister's Office.
- Pootrakool looks after economic reforms, National Board of Development and economic zones and Board of Investment of Thailand.
- As Bangladesh's economy and its consumer base are growing steadily, the Thai minister sees scopes for investments in renewable energy, household equipment, electronics and automobiles.
- Thailand exported products worth \$1.2 bn to Bangladesh in 2017 and imported goods worth only \$61 mn, according to Suebsak Dangboonrueng, minister counselor for commercial at the Thai embassy in Dhaka.

<https://www.thedailystar.net/business/thailand-keen-invest-large-infrastructure-projects-1570801>

Bangladesh tops China, India

The Daily Star, May 03, 2018

- Bangladesh overtook China and India in ethical compliance in apparel segment on the back of improved workplace safety following pressure from international inspection and remediation agencies, according to a new survey.
- "In particular, ethical scores in Bangladesh rose by an average of 15 % during the past 12 months," said AsiaInspection in its first quarterly report of 2018 released last month.
- This was likely reflecting the continuous pressure to improve put on Bangladesh's textile and apparel manufacturers by the industry groups formed after the Rana Plaza collapse in 2013, it added.
- Hong Kong-based AsiaInspection is a global leading quality control and compliance service provider that partners with brands, retailers, and importers around the world to secure, manage and optimise their supply chain.
- This is because all renowned retailers and brands such as H&M, C&A, Walmart, Marks & Spencer and JC Penney source from Bangladesh in bulk, he told The Daily Star.



<https://www.thedailystar.net/business/bangladesh-tops-china-india-1570804>

Bangladesh Bank wants information on all bad debts

The Financial Express, May 02, 2018

- Bangladesh Bank has asked all the banks and other financial institutions of the country to send reports about all the default loans.
- As per a new circular issued on Thursday, the banks and financial institutions are supposed to report to the central bank even if the defaulted loan is BDT 1 only.

- Until now, the banks and other financial institutions were supposed to send information on default loans of BDT 50,000 or more and for credit cards BDT 10,000 unpaid loans to the central bank's Credit Information Bureau.
- In the circular, the Bangladesh Bank have asked for information on all loans needed to be sent to the CIB database to strengthen monitoring of loans in the banking sector, reports bdnews24.
- Banks and financial institutions need to collect information from the CIB database before approving client's loan or credit limit.
- A defaulter was not able to take loans if the amount of bad debt was more than BDT 50,000. But under the new stringent regulation, anyone with BDT 1 bad loan would not be eligible to take any other loan.

<https://thefinancialexpress.com.bd/economy/bangladesh-bank-wants-information-on-all-bad-debts-1524983454>

BD receives \$1.218b remittance in April

The Financial Express, May 02, 2018

- The country received \$1.218 bn as remittance from April 1 to 27 this year.
- In March, the total inward remittance was \$1.299 bn.
- Bangladesh Bank officials said the data on remittance of three other days (from 28-30 of April) is not available. But once the data is available, the total amount will obviously increase from \$1.218 bn.
- Bangladesh Bank's available statistics shows six state-owned commercial banks -- Agrani, Janata, Rupali, Sonali, BASIC and BDBL -- received \$299.91 mn from expatriate Bangladeshis while two state-owned specialised banks -- BKB and RAKUB -- got \$10.51 mn.
- The maximum remittance came through private commercial banks as they received \$895 mn while the nine foreign banks \$12.95 mn.
- Among the private commercial banks, Islami Bank Bangladesh Limited (IBBL) topped the chart as it received \$248.97 mn followed by Dutch-Bangla Bank's \$62.08 mn.

<https://thefinancialexpress.com.bd/economy/bd-receives-1218b-remittance-in-april-1525272109>

Net FDI in textile sector crosses \$400m

The Financial Express, May 02, 2018

- Net inflow of the foreign direct investment (FDI) in the textile sector crossed \$400 mn in the past year, according to the latest statistics of the central bank.
- It showed that net FDI in the textile and weaving sector stood at \$421.68 mn in 2017 which was \$364.44 mn in the previous year.
- Again the gross inflow of FDI in the textile sector stood at \$592.46 mn in the past year which was \$529.89 mn in the previous year.
- Disinvestment, repayments of loans and loss of the current multinational entities have been deducted from the gross inflow of FDI to calculate the net FDI.
- Bangladesh Bank data also showed that South Korea invested \$103.05 mn in this sector in net terms which was the sectoral highest amount of FDI from any country in the past year.

<https://thefinancialexpress.com.bd/economy/net-fdi-in-textile-sector-crosses-400m-1525270514>

Call money rate budges on excess liquidity

The Financial Express, May 02, 2018

- The call money rate in the local money market took a dip to the lowest level in more than one year on Thursday, the last working day before the weekend, indicating the presence of excess liquidity in the market.
- This has been attributed by treasury heads of a number of banks to the reduction in Cash Reserve Ratio (CRR) that came into effect on April 15 last.
- But the executives do not see any immediate impact of such liquidity on the lending rates of banks as they view it as a "temporary phenomenon" in the money market.
- Rather, they said a "stable" market can help lower the lending rates.
- The call money rate fell by around 1.0 percentage point in a month to 3.57 on Thursday. A year back the rate was 3.78 per cent, according to the data on weighted average call money rates prepared by the Bangladesh Bank.
- The call money rate denotes the trend of overnight borrowing by banks and non-bank financial institutions from the banking system to meet their urgent demand for funds.

<https://thefinancialexpress.com.bd/economy/call-money-rate-budges-on-excess-liquidity-1525060153>

International

ADB to outline future in Asia amid growing Chinese influence

The Daily Star, May 03, 2018

- The Asian Development Bank will look to confront a range of economic challenges at its four-day annual meeting this week, including the future relevance of the organization amid China's increasing presence in infrastructure finance.
- Free trade, globalization, population aging, worsening environmental problems, gender equality, the trend toward automation, are key topics of discussions at the May 3-6 meeting in the Philippines, one of Asia's fastest growing economies.
- ADB vice president Stephen Groff said the Manila-based lender is crafting a new long-term corporate strategy to 2030 to achieve a "prosperous, inclusive, resilient, and sustainable" Asia and the Pacific.
- The ADB raised its 2018 economic growth estimate for developing Asia to 6.0 % from 5.8 percent, citing solid export demand, but said US protectionist measures and any retaliation against them could undermine trade.

<https://www.thedailystar.net/business/adb-outline-future-asia-amid-growing-chinese-influence-1570789>

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BASL Research Team

Mr. Shariful Alam Chowdhury Head of Research & Investments	tushar@basl-bd.com, tusharbd@bloomberg.net
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com, shohidulbd@bloomberg.net
Mr. Md. Monirul Islam Research Associate	abir@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Branches

Head Office Hadi Mansion (7th Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 Fax: +88-02-9567884	Modhumita Extension Office 158-160 Modhumita Building (5th Floor) Motijheel C/A, Dhaka-1000 Phone: +88-01819118893	Dhanmondi Branch Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-8624874-5	Mirpur Branch Nishi Plaza, plot # 01, Avenue-04, Section-06, Block- C Mirpur, Dhaka - 1216 Phone: +88-02-9013841
Uttara Branch House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka- 1230 Phone: +88-02-8958371	Banani Branch Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +8801716180767	Khulna Branch 28, Sir Iqbal Road (1st Floor) Khulna Phone: +88-041-731208-9	

For International Trade & Sales, please contact **Mr. Sumon Das, Chief Executive Officer**. Please call at +8801993111666, +880 02 9515826, Ext:101 at Business hour.

For further query, write to us at research@basl-bd.com.