

Stock Market

Dhaka stocks gain for 5th weeks as energy, textile scrips soar

New Age, September 02, 2018

- Dhaka stocks gained last week, the fifth week in a row, despite a fall in most of the sessions of the week as investors went for buying heavily energy and textile scrips later in the week. DSEX, the key index of Dhaka Stock Exchange, increased by 0.53%, or 29.44 points, over the week to finish at 5,600.64 points on Thursday, the last trading session of the week. The index gained 296 points in last five weeks.
- The market posted a marginal gain in the past week as investors continued buying shares from some of the large capitalised sectors, market operators said. They said that investors turned their focus on the textile sector with an expectation that the government would issue an order cutting tax at source for exports, including that of apparel items, to 0.6% from 1% this week.
- The energy sector got the most attention of investors over the week as financial shares faced corrections. The average share prices of energy, miscellaneous, telecommunication and textile sectors shot by 5.15%, 4.38%, 3.00
- The daily average turnover on the bourse increased to BDT 583.94 crore in last week from BDT 502.94 crore in the previous week. Out of the 338 traded issues, 181 advanced, 138 declined and 19 issues remained unchanged.
- Active Fine Chemicals, National Housing Finance, BBS Cables, LankaBangla Finance, Bangladesh Export Import Company, Khulna Power Company, IPDC Finance, International Leasing and Financial Services and Rangpur Dairy Food were the other turnover leaders.

<http://www.newagebd.net/article/49619/dhaka-stocks-gain-for-5th-weeks-as-energy-textile-scrips-soar>

Chinese group finishes DSE share purchase on Sept 4

New Age, August 31, 2018

- The Chinese consortium of Shenzhen and Shanghai stock exchanges will complete the purchase of 25% shares of the Dhaka Stock Exchange on September 4 to be the strategic partner of the DSE, said DSE officials on Thursday. They said the consortium would begin its official activities as a strategic partner of the DSE on the same day with holding a directorship post in the bourse's board.
- The DSE will hold a press conference at the Pan Pacific Sonargaon Hotel in Dhaka on September 4 to declare the consortium as its strategic investor, the officials said. Representatives from both of the Chinese stock exchanges are expected to attend the press briefing.
- DSE director Minhaz Mannan Emon told New Age that the consortium would transfer BDT 947 crore to a bank in Bangladesh on September 3 after transferring 25% shares by the bourse to a beneficiary owners' account to be opened with the Central Depository Bangladesh Limited in favour of the group on the same day.
- The fund would be deposited in the DSE's City Bank account on September 4, but the shareholders would get their money later, he said. DSE managing director Majedur Rahman said that the DSE would hold a board of director meeting on September 4 where Xie Wenhui, head of IT management committee of Shenzhen Stock Exchange, would be officially appointed as director to the board of the DSE.
- In accordance with the share purchasing agreement, the consortium would transfer BDT 947 crore against 45,09,44,125 ordinary shares of the DSE at BDT 21 each to be the bourse's strategic investor, DSE officials said. The consortium has got the nod from China's National Development and Reform Commission, State Administration of Foreign Exchange and China Securities Regulatory Commission to send the fund to Bangladesh.

<http://www.newagebd.net/article/49460/chinese-group-finishes-dse-share-purchase-on-sept-4>

DSE mulls e-disclosure system for cos' PSI

New Age, September 03, 2018

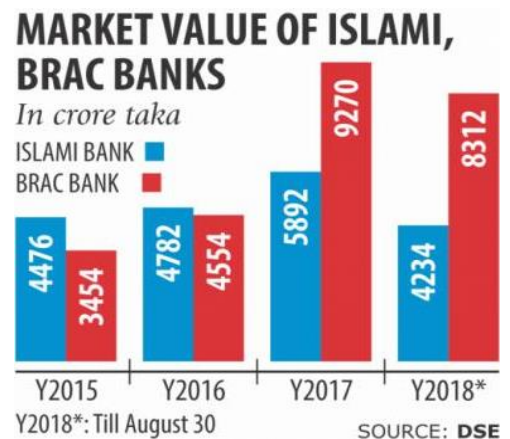
- The Dhaka Stock Exchange is mulling over allowing the listed companies to publish price sensitive information directly on the bourse's web site through eXtensible Business Reporting Language-based electronic disclosure system to check delay in publishing PSI by the firms.
- XBRL is a global framework for exchanging business information, such as a financial statement. The system provides a complete electronic solution from corporate disclosure to fair speedy information access for investors. All the companies will be linked with the DSE software and the companies pass the PSI directly to the web site without any intervention, DSE officials said.
- The DSE board of directors has agreed in principle to run the system so that the companies can easily make their PSI public on their own responsibility, they said. The bourse intends to run the system with support from its strategic partner of a Chinese consortium of Shenzhen and Shanghai stock exchanges as the system requires huge amount of money and efficient professionals, they said. The Chinese group joins the DSE board on Tuesday.
- According to the DSE listing regulations, any listed company must disclose its price sensitive information within 30 minutes of making the decision on such information to the exchange and the Bangladesh Securities and Exchange Commission. Once the new system is introduced, the company would not be able to show any excuse in regard to providing PSI on time.

<http://www.newagebd.net/article/49730/dse-mulls-e-disclosure-system-for-cos-psi>

Once top-notch, Islami Bank now half the value of Brac

The Daily Star, September 01, 2018

- Brac Bank has become the country's largest private lender in market value, removing restructured Islami Bank Bangladesh Ltd (IBBL) from the top. On August 30, the last working day, the market value of Brac Bank was nearly BDT 8,312 crore, almost double of longtime leader IBBL's BDT 4,234 crore.
- Things started to reverse dramatically in 2017 when the Shariah-based lender went through massive changes, including a major shift in share holdings and in the board. "Perhaps, the changes in the share holdings shook up investors and they have offloaded shares," said Khondkar Ibrahim Khaled, a former deputy governor of the central bank.
- But Selim RF Hussain, managing director of Brac Bank, said the market can read a company clearly. "Investors understand that Brac Bank is a transparent and compliant bank. Our board of directors is of top quality," he said. In terms of profits, Brac Bank was one of the 10 banks in 2015 and became the fourth-largest in the following year and the number one in 2017.
- Foreign entities now own 45% of the bank's shares, which according to Hussain, is a reflection of confidence in Brac Bank. When Brac Bank surged to become the top private bank, IBBL went down as its share price has been sliding for the last two years, especially after a Chittagong-based business group took over its control.
- Share of IBBL was traded at BDT 47.80 and Brac Bank BDT 67.60 on January 26, 2017. But at the end of the year, IBBL's share went down to BDT 36.60 while Brac Bank's share shot up to BDT 108.40.



<https://www.thedailystar.net/news/business/once-top-notch-islami-bank-now-half-the-value-brac-1627864>

Economy

Lending thru' agent banking on the rise

Bank Asia accounts for 94pc of loans disbursed by all banks

The Daily Star, September 03, 2018

- Lending through agent banking grew 12.32% to BDT 137.32 crore in April-June compared to a quarter ago with Bank Asia leading the pack. The agent banking windows of six banks disbursed the loans, data from the central bank showed. Of the amount, Bank Asia alone lent BDT 129 crore, which accounted for 94% of the total loans given via the agent banking outlets.
- Md Arfan Ali, managing director of Bank Asia, said his bank was now focusing on accelerating loan disbursement through agent banking. "Initially, banks have put focus on mobilising deposits. But it is time to extend the service by disbursing loans to clients living in the rural and remote parts of the country," he said.
- Through the window, Bank Asia, one of the pioneers in agent banking, disburses loans ranging from BDT 20,000 to BDT 20 lakh and has set a target to increase the loan portfolio to BDT 250 crore by December this year. Loan disbursement through the agents creates a win-win situation for banks, agents and customers, since all of them benefit from the service, said Ali. The bank offers nearly 4% interest to depositors and 2% commission to agents, while lending at 9% to 13% on major products. "This means the bank enjoys a good interest margin," Ali said.
- According to the Bank Asia CEO, the cost of fund collected through agents is lower than those mobilised by branches as banks don't have to spend on infrastructure for agent outlet. The bank will soon offer full-fledged banking services under the umbrella of agent banking, he said.
- Latest financial indicators showed that agent banking is on the right track as deposit collection through the service stood at BDT 2,013 crore in April-June, up 23.19% from a quarter ago. Seventeen banks have a combined 17.64 lakh accounts as of June, up from 14.56 lakh three months ago. There are 3,588 agents at the end of the second quarter, up 11.56% from the first quarter of 2018.

<https://www.thedailystar.net/news/business/banking/lending-thru-agent-banking-the-rise-1628158>

Interest rate spread falls to 4.31pc in July

Banks cut rates further on lending

The Financial Express, September 01, 2018

- Interest rate spread in the country's banking sector decreased in July, as the commercial banks slashed their interest rates further on lending than deposit, officials said. The weighted average spread between lending and deposit rates offered by the banks came down to 4.31% in July 2018 from 4.45% in the previous month, according to the latest official figures.
- The spread was same at 4.45% in May. But it was 4.46% in April. The falling trend of spread came against the backdrop of the banks' revising interest rates on both lending and deposit downward in line with the decisions of the Bangladesh Association of Banks (BAB).
- BAB earlier requested its member banks to bring down the interest rates on both lending and deposit at 9.0% and 6.0% respectively from July 01.
- The weighted average rate on deposits came down to 5.40% in July from 5.50% a month before, and interest on lending dropped to 9.71% from 9.95%, the BB data showed.

<http://thefinancialexpress.com.bd/economy/bangladesh/interest-rate-spread-falls-to-431pc-in-july-1535774644>

Quality of economic growth improves

The Daily Star, September 03, 2018

- The quality of Bangladesh's economic growth has improved between 2000 and 2015, according to an index developed by the South Asian Network on Economic Modeling (Sanem). The country ranked 106th among 156 nations in 2015 in the Index of Quality of Economic Growth (IQEG), up by six notches from 112 in 2000.
- Bangladesh scored 42.7 on a scale of 0 to 100, according to the research organisation. The score indicated that the nation has not that much been able to translate its increasing economic growth over the last two decades into improvements in people's livelihoods.
- In context to South Asia however, Bangladesh's ranking remains unchanged. Sri Lanka is the best performer with a score of 56.46 followed by the Maldives, India, Bangladesh and Pakistan. Afghanistan is the region's worst performer and is ranked 155th.
- Globally, Sweden has been the top performer scoring 93.01 while Guinea-Bissau the worst with 21.13. Sanem took up the initiative to develop the index as the focus of discussions on economic growth has shifted from quantity to quality.

Ranking of South Asian countries

Country	Ranking in 2000	Ranking in 2015
Sri Lanka	49	55 Down
The Maldives	83	89 Down
India	122	105 Up
Bangladesh	112	106 Up
Pakistan	99	108 Down
Bhutan	121	120 Up
Nepal	123	131 Down
Afghanistan	134	155 Down

<https://www.thedailystar.net/news/business/quality-economic-growth-improves-1628176>

International

Iraq oil exports hit 2018 peak in August

The Daily Star, September 03, 2018

- Iraq's oil exports for August hit their highest monthly figure this year, the oil ministry said Saturday, with nearly 112 mn barrels of crude bringing \$7.7 bn to the war-torn country's ailing economy. "In August, exports of crude reached 111.6 mn barrels and revenues were \$7.7 bn," on an average price of \$69.59 per barrel.
- In August last year Iraq earned \$4.6 bn from the sale of 99.7 mn barrels of crude oil. Iraq's sole source of foreign currency, oil revenues have pumped more than \$60 bn into state coffers since January.
- Baghdad's economy has been hit hard by the war against the Islamic State jihadist group which had seized a third of Iraq's territory in 2014 before being ousted in a vast government offensive last year. Iraq suffers from persistent corruption and many Iraqis complain that the country's oil wealth is unfairly distributed.
- This summer saw weeks of demonstrations in the oil-rich but marginalised south, demanding an end to power shortages and graft. Iraq has the second-highest output of any member of the OPEC oil producers cartel, at some 4.5 mn barrels per day.

<https://www.thedailystar.net/news/business/global-business/iraq-oil-exports-hit-2018-peak-august-1628125>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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. Monir Hossain
Research Associate

monir@basl-bd.com

BASL Networks

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.