

## Stock Market

### Stocks up for 3rd day as investors focus on undervalued scrips

New Age, October 03, 2018

- Dhaka stocks inched up on Tuesday in volatile trading as a section of investors kept buying undervalued scrips including bank and textile shares. Dhaka stocks inched up on Tuesday in volatile trading as a section of investors kept buying undervalued scrips including bank and textile shares.
- On Tuesday, DSEX added 0.20 %, or 11.01 points, to close at 5,380.93 points. The key index gained 38 points in last three sessions. The average share prices of textile and bank advanced by 1.5 % and 0.8 % respectively on Tuesday. The share prices of cement and food also gained on the day.
- The average share prices of energy, non-bank financial institution and telecommunication sectors dropped by 0.9 %, 0.7 % and 0.2 % respectively. The turnover on DSE, however, declined to BDT 488.40 crore on Tuesday compared with that of BDT 550.52 crore in the previous trading session.
- Among the large capitalised scrips, the share prices of Dutch-Bangla Bank, BRAC Bank and Islami Bank advanced most while United Power Generation Company, Khulna Power Company and Grameenphone declined most on the day. Of the 336 companies and mutual funds traded on Tuesday, 153 advanced, 158 declined, and 25 remained unchanged.
- DS30, the blue-chip index of DSE, also added 0.22 %, or 4.33 points, to close at 1,892.66 points. Shariah index DSES gained 0.08 %, or 1.10 points, to finish at 1,241.29 points. United Power Generation Company led the turnover chart with its shares worth BDT 44.84 crore changing hands.
- IFAD Autos, Nurani Dyeing, Khulna Power Company, Dragon Sweater, VFS Thread Dyeing, Stylecraft, Intech Limited, Monno Ceramics and BBS Cables were the other turnover leaders. Pacific Denims gained the most on the day with a 10-per cent increase in its share prices, while Republic Insurance Company was the worst loser, shedding 9.37 %.

<http://www.newagebd.net/article/52169/stocks-up-for-3rd-day-as-investors-focus-on-undervalued-scrips>

### Junk stocks still rising despite DSE caution

The Daily Star, October 03, 2018

- Prices of junk stocks are still rising despite Dhaka bourse's several attempts to discourage investors to pour money into the shares which may get delisted for their poor performance in the last five years.
- Six out of the 15 junk shares posted a price rise of over 9 % yesterday compared to the previous day. Since August 7, the Dhaka Stock Exchange (DSE) has been informing investors every day that a review of the junk stocks is underway.
- Of the Z category shares, Jute Spinners' shares rose 9.93 % to BDT 83 yesterday and became the third highest gainer of the day. It advanced 18.57 % in the last four trading days. Meghna Condensed Milk climbed up 9.86 % yesterday and 84.85 % in the last one month.
- Meghna Pet Industries increased 9.80 %, Shyampur Sugar Mills 9.78 %, Imam Button 9.54 % and Savar Refractories 9.50 %. Similarly, Dulamia Cotton added 8.57 %, Sonargaon Textiles 7.14 %, Samata Leather 6.98 %, Shinepukur Ceramics 6.45 % and ICB Islamic Bank 2.44 %.
- However, stocks of Zeal Bangla Sugar Mills fell 0.30 %, Information Services Network dropped 0.68 %, Kay & Que was down by 1.35 % and Beximco Synthetics gave up 4.23 %. If these companies have no prospect to return to profit, they may get delisted from the DSE, said KAM Majedur Rahman, managing director of the bourse.

<https://www.thedailystar.net/business/news/junk-stocks-still-rising-despite-dse-caution-1641763>

## Share price of five small cap cos rising sans PSI

The Financial Express, October 03, 2018

- The share prices of five small cap companies were rising 'abnormally' despite having no disclosed price sensitive information (PSI) for the recent price hikes. Following the abnormal price hikes, the Dhaka Stock Exchange (DSE) have made queries to explain whether there were any 'undisclosed' PSI.
- In their replies, the companies have informed that there was no undisclosed PSI for recent price hike and increase in the volume of shares. The companies whose share prices are rising abnormally were CVO Petrochemical Refinery, Aziz Pipes, Stylecraft, SK Trims & Industries, and Dulamia Cotton Spinning Mills.
- The share price of CVO Petrochemical Refinery closed at BDT 180.20 each on Monday with a rise of 7.84 % or BDT 13.10. The company's share trading closed at BDT 147.10 each on September 27. Later, the price rose 22.50 % or BDT 33 in three sessions including on Monday.
- The share price of Aziz Pipes rose 17.21 % or BDT 27.80 to close at BDT 189.30 in five sessions during September 24 to September October 1, 2018. The share price of the company, however, declined on Monday. On the day, the share price closed at BDT 180.40 each with a loss of 5.12 % or BDT 9.70.
- The company's share price closed at BDT 4,096.50 each on Monday with a loss of 5.0 % or BDT 215.60. Like other companies, SK Trims & Industries has also informed that there is no undisclosed PSI of the company for recent unusual price hike and increase in volume of shares.
- In five sessions, the company's share price rose 37 % or BDT 9.2 to close at BDT 35 each during September 25 to October 1, 2018. The company's share price closed at BDT 36.70 each on Monday with a rise of 4.29 % or BDT 1.50. The share price of Dulamia Cotton Spinning Mills closed at BDT 30.40 each on Monday with a rise of 8.57 % or BDT 2.40 each.

<http://thefinancialexpress.com.bd/stock/bangladesh/share-price-of-five-small-cap-cos-rising-sans-psi-1538540828>

## BSEC lifts suspension of 2 cos

New Age, October 03, 2018

- The Bangladesh Securities and Exchange Commission on Tuesday lifted suspension of trading of shares of two companies, BD Autocars and Legacy Footwear, and sent them to the spot market.
- The market regulator, however, extended the trading suspension of Monno Jute Stafflers' shares by 15 more days, according to a BSEC order issued on Tuesday. BSEC ordered the Dhaka and Chittagong stock exchanges to carry out its directive in this regard with immediate effect.
- Shares of BD Autocars and Legacy Footwear will be traded today on spot market, where investors must buy shares with cash. Earlier on August 16, the commission suspended share trading of three companies following unusual and astronomical hike in the prices of their shares.
- The commission had made the decision following spat of criticism over lack of action from the market regulator in reigning in the unusual price hike of the companies.
- On the same day on August 16, the regulator also sent five other companies — Monno Ceramic Industries, Key&Que, Aziz Pipes, Stylecraft and Dragon Sweater and Spinning — to the spot market for an indefinite period for the unusual price hike of their shares. Share trading restriction on DSSL was lifted on September 06.
- The commission came up with the punitive measures after the watchdog detected anomalies in the trading of the companies' shares. Market experts, however said that the punitive measures became ineffective as share prices of the four companies continued surging even in the spot market amid manipulation.

<http://www.newagebd.net/article/52165/bsec-lifts-suspension-of-2-cos>

## Tax waiver on LNG import to cause BDT 110b revenue loss

The Financial Express, October 03, 2018

- The National Board of Revenue (NBR) has estimated a total of BDT 110 bn loss in revenue collection after the government waived import taxes on Liquefied Natural Gas (LNG). Officials said the gas sector is one of the largest revenue contributors to the national exchequer that may face a blow following withdrawal of Customs Duty (CD) and Supplementary Duty (SD) along with reduction of Advance Income Tax (AIT).
- NBR has issued a Statutory Regulatory Order (SRO), dated September 30, 2018, waiving 5.0 % CD on import of LNG. The order came into force with retrospective effect from September 18, 2018. In April 2018, NBR's Income Tax Wing reduced AIT on import of LNG to 2.0 % from 5.0 %.
- Talking to the FE, a senior NBR official said currently there are only 15 % Value Added Tax (VAT) at local transmission stage of LNG, and 2.0 % AIT on its import.

<http://thefinancialexpress.com.bd/trade/tax-waiver-on-lng-import-to-cause-BDT-110b-revenue-loss-1538537992>

## BJMC inks MoU with British company on 'Sonali Bag' production

The Financial Express, October 03, 2018

- Bangladesh Jute Mills Corporation (BJMC) and Futamura Chemical Ltd, a United Kingdom-based company, have inked a Memorandum of Understanding (MoU) for producing 'Sonali Bag' commercially.
- BJMC Secretary AKM Tareq (Deputy Secretary) and Graeme Coulthard, general manager of Futamura Chemical Ltd, signed the MoU on behalf of the respective sides on Tuesday. They also signed a Non-disclosure Agreement (NDA) to produce the biodegradable and environment-friendly jute-made ploy bag.
- Bangladeshi scientist Dr Mubarak Ahmad Khan, a scientific advisor of BJMC and former chief scientific officer of Bangladesh Atomic Energy Commission, invented the Sonali Bag from jute cellulose. Primary Pilot Plant (PPP) for producing the Sonali Bag was set up at Latif Bawani Jute Mills in Demra area of Dhaka, reports UNB.
- State Minister for Textiles and Jute Mirza Azam, senior secretary of the ministry Faizur Rahman Chowdhury, BJMC Chairman Dr Md Mahmudul Hasan, and the inventor Dr Mubarak Ahmad Khan, among others, were present at the signing ceremony.

<http://thefinancialexpress.com.bd/trade/bjmc-inks-mou-with-british-company-on-sonali-bag-production-1538470492>

## Economy

### World Bank forecasts 7.0pc growth for Bangladesh in FY19

The Financial Express, October 03, 2018

- The World Bank has forecast a growth rate of 7.0 % for Bangladesh this fiscal year on the back of robust private investment, increased exports and remittance inflows. The projection is lower than the Asian Development Bank's estimate of 7.5 % and the government's 7.8 % for fiscal 2018-19.
- Growth will remain resilient, underpinned by strong domestic demand and structural transformation, but there is no room for complacency, according to the latest Bangladesh Development Update.
- For the first time since FY2011, Bangladesh faces a deficit in the overall balance of payments, putting pressure on the exchange rate and international reserves. This has resulted from a substantial widening of deficits on the trade, services and income accounts.

- Much progress has been made in recent years, with access to electricity increasing from 47 % of the population in 2009 to 80 % in 2017. But by 2030, electricity demand is expected to grow to 34 gigawatts, more than double the country's current installed capacity.
- This requires comprehensive reforms in the power sector, including addressing inefficiencies at different stages of power supply and distribution, and reducing dependency on imported fossil fuels. The report urges more efficient pricing and use of gas.

<http://thefinancialexpress.com.bd/economy/bangladesh/world-bank-forecasts-70pc-growth-for-bangladesh-in-fy19-1538474211>

## Q1 remittance rises 13.75pc

New Age, October 03, 2018

- Remittance inflow to the country increased by 13.75 % in the first quarter of the current financial year 2018-2019 as non-resident Bangladeshis sent home more money due mainly to the appreciation of the US dollar against the taka. Expatriate Bangladeshis sent \$3.86 bn in July-September of the FY 2019 against \$ 3.39 bn in the same period of the last FY18, according to Bangladesh Bank data released on Tuesday.
- In September expatriates sent \$ 1.13 bn, up by 32 % from that of \$ 857 mn of the same month of last year. The September inflow, however, is much lower than the inflow of August, \$14.11 bn, because of post-Eid hangover. BB officials said that remittance inflow rose mainly because of rising value of the dollar against the taka, which encouraged the NRBs to send home more money.
- Besides, the economic situation of Middle Eastern countries, from where Bangladesh receives majority of remittance, has improved in recent months because of rising prices of fuel oils.
- A large amount of expatriates' hard earned money enters into the country thorough illegal channel like hundi and the amount does not come under the official calculation as the government doesn't get any foreign currency for the money, they said.

<http://www.newagebd.net/article/52167/q1-remittance-rises-1375pc>

## Bangladesh lags behind peers in internet usage

The Daily Star, October 03, 2018

- Bangladesh is still lagging behind its peers in Asia when it comes to internet usage and its awareness, found a recent survey. Only 33 % of the population aged 15-65 in Bangladesh know what the internet is, according to the 'After Access' survey conducted by LIRNEAsia, an Asia Pacific-based think-tank, between April last year and June this year. Only 13 % of the population in Bangladesh uses the internet, the lowest among the countries surveyed in Asia.
- However, according to the Bangladesh Telecommunication Regulatory Commission, at the end of August there are 9.05 crore active internet connections in the country, meaning the internet penetration is more than 50 %.
- The survey interviewed 2,000 households and individuals from 100 wards and villages in 40 districts on a range of topics related to the use of mobile phones, internet, social media and other platforms. The urban-rural gap in internet use was large in most countries, with rural dwellers lagging behind as much as 48 % in India and 38 % in Bangladesh. The gender gap in internet use was markedly large in Bangladesh: 62 %.
- The cost of data was cited as a primary limitation to greater use by 30 % of the internet users in Bangladesh -- the highest amongst the surveyed Asian countries. Some 18 % of the survey respondents in India and Pakistan quoted the data cost as a deterrent to greater internet usage, 29 % in Nepal and 5 % in Cambodia.

- Bangladesh though fared better when it came to mobile phone ownership; in fact, it had the highest %age of mobile phone usage among the Asian countries surveyed. Some 74 % of the 15- to 65-year-olds in Bangladesh have mobile phones, followed by Nepal at 72 %, Cambodia at 68 %, both India and Myanmar at 61 %, and Pakistan at 57 %.
- About 60 % of the population in Bangladesh have internet-enabled handsets, which is the same as in Nepal but higher than India (45 %), Pakistan (47 %) and Cambodia (58 %). Bangladesh, however, has the highest number of users of mobile financial service in all countries surveyed. Around 27 % of all mobile phone owners said they used MFS.

<https://www.thedailystar.net/business/news/bangladesh-lags-behind-peers-internet-usage-1641781>

## **Solar firm secures \$1.66m from global investors**

The Daily Star, October 03, 2018

- A local solar energy firm, SOLshare, has secured \$1.66 mn from three global investors as it seeks to widen people's access to clean energy. The three investors are: Singapore-based IIX Growth Fund, Silicon Valley-based innogy New Ventures LLC, and Portuguese utility firm EDP, SOLshare said in a statement.
- The funds will be used to increase access to clean energy for more than 19,000 rural households and 14,000 micro-entrepreneurs, and address climate change by avoiding more than 2,200 tonnes of carbon emissions by 2021.
- SOLshare is making affordable clean energy and offers the world's first peer-to-peer solar electricity trading platform for off-grid households in Bangladesh. The platform interconnects users with and without solar home systems (SHS) to a smart direct-current grid, while empowering communities to be solar entrepreneurs by selling their excess energy.
- In the statement, Robert Kraybill, managing director of IIX, said access to modern, clean energy is essential not only for reducing poverty, but also for building more inclusive, resilient communities. "With the majority of the world's energy poor living in Asia, we're thrilled to have SOLshare as the IIX Growth Fund's first investment in Bangladesh."

<https://www.thedailystar.net/business/news/solar-firm-secures-166m-global-investors-1641760>

## **NBR asks NGOs, pvt firms to use new income tax return form**

The Financial Express, October 03, 2018

- The income tax wing has asked NGOs, firms and private organisations to submit their tax returns for fiscal year (FY) 2018-19 in the new form, which was introduced in 2016.
- The wing under the National Board of Revenue (NBR) recently issued an instruction for all tax offices across the country after it found many taxpayers are submitting returns in the old forms.
- In 2016, the NBR amended the Income tax Rule-1984 to introduce three new tax return forms for individuals, corporate taxpayers and NGOs, firms and private entities. Talking to the FE on Tuesday, income tax (policy) member Kanon Kumar Roy said many are not yet aware of the new tax return forms. The deadline for submission of individuals' tax returns started from July 1, 2018 and will end on November 30 next.

<http://thefinancialexpress.com.bd/trade/nbr-asks-ngos-pvt-firms-to-use-new-income-tax-return-form-1538538448>

## **Five more sectors likely to get incentives under PPP**

The Financial Express, October 03, 2018

- Projects under five more sectors are likely to be made eligible for government incentives under the public-private partnership (PPP) initiative, officials said.

- The new sectors including, urban development, utilities, multi-modal transport hub, logistics and health, may get incentives like existing 14 other sectors. Currently, companies engaged in the implementation of PPP projects enjoy various incentives, including tax waivers.
- To this effect, the income-tax wing of the NBR issued three separate statutory regulatory orders (SROs) last year. Tax exemption would be valid on capital gains derived from transfer of share capital of the companies, royalty, technical know-how and technical-assistance fees for foreign technicians.
- The waiver has been offered to PPP projects, including national highways or expressways and related service roads, flyovers, elevated and at-grade expressways, river-bridges, tunnels, river ports, seaports, airports, subways, monorails, railways, bus terminals, bus depots and elderly care homes.
- The companies will be able to enjoy tax-benefit on capital gains derived from transfer of share capital raised for operation of any PPP project in the first 10 years of commercial operation.
- The government earmarks BDT 20-30 bn for PPP projects every fiscal year. But funds are not used fully due to lack of private sector investors. In his 2009 budget when the PPP initiative was introduced, the finance minister said the PPP initiatives were taken as the country needed BDT 390 bn each year for infrastructure development.

<http://thefinancialexpress.com.bd/economy/bangladesh/five-more-sectors-likely-to-get-incentives-under-ppp-1538470806>

## International

### **Sri Lanka surprises, keeps rates steady despite pressure on rupee**

The Financial Express, October 03, 2018

- The Central Bank of Sri Lanka (CBSL) has surprised financial markets by leaving its key policy rates unchanged, despite heavy pressure on the rupee currency. Policymakers have struggled to defend the fragile rupee, which fell 4.7 % last month in the face of a strong dollar and outflows from emerging markets amid rising US interest rates.
- The country has already imposed a raft of measures to restrict imports with immediate effect to try to take pressure off the rupee, which is hovering at a record low. The central bank kept the standing lending facility rate (SLFR) at 8.50 % and standing deposit facility rate (SDFR) at 7.25 %. The market had expected hikes for both, reports Reuters. Sri Lanka's key rates have been unchanged since April, when there was a surprise cut in SDFR.
- A strengthening dollar since mid-April has increased the credit risks in some emerging markets, including Sri Lanka, due to currency depreciation, ratings agency Moody's said in June. Sri Lanka has seen net outflows of 72.5 bn rupees (\$429 mn) so far this year through Sept. 26 from foreign investors selling government bonds, central bank data showed. Tuesday's rate announcement comes as some investors are worried about a slowing economy and increases in fiscal spending ahead of presidential elections next year and possible provincial council polls early in 2019.
- The International Monetary Fund (IMF) on Friday revised down its projection for 2018 Sri Lankan economic growth to under 4 %, from June's forecast of 4 %.

<http://thefinancialexpress.com.bd/economy/sri-lanka-surprises-keeps-rates-steady-despite-pressure-on-rupee-1538474754>

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