

## Stock Market

### 26 banks to get stake in bourses' clearing co

New Age, December 03, 2018

- Twenty-six banks are going to be shareholders of Central Counterparty Bangladesh Limited, a proposed clearing and settlement company. The company will settle trading of equities, which will reduce settlement risk, provide trading anonymity and make the settlement operations more efficient. Currently, settlements are done through Central Depository Bangladesh Limited.
- The banks are Agrani Bank, Bank Asia, BRAC Bank, Dhaka Bank, Eastern Bank, IFIC Bank, Jamuna Bank, Mercantile Bank, Modhumoti Bank, Mutual Trust Bank, National Bank, NCC Bank, NRB Bank, NRB Commercial Bank, NRB Global Bank, ONE Bank, Prime Bank, Pubali Bank, Rupali Bank, Shahjalal Islami Bank, Social Islami Bank, Southeast Bank, Standard Bank, City Bank, Premier Bank and United Commercial Bank, DSE officials said.
- CCBL will allocate 15 % of its shares worth BDT 45 crore to the banks — equal number of shares to each bank. As per the CCP rules, the banks cannot get the licences for participation in the clearing and settlement mechanism as they own shares in CCBL. As per the finalised rules, stock exchanges jointly hold 65 % of the company's shares. Of the stock exchanges' portion, Dhaka Stock Exchange holds 45 % and Chittagong Stock Exchange 20 %.
- Banks hold 15 % of the company and Central Depository Bangladesh holds 20 % that includes 10 % to be transferred to a strategic investor. The company will be registered under the name of 'Central Counterparty Bangladesh Limited' with an authorised capital of BDT 500 crore and paid-up capital of BDT 300 crore. A total of 30 crore shares will be issued at face value of BDT 10 each.
- BSEC at a commission meeting on November 27 also accepted the memorandum of association and article of association of CCBL in accordance with the reports submitted by CCBL formation committee. The board of the company will be formed with seven independent directors, six shareholding directors and a managing director.
- DSE chairman Abul Hashem and managing director KAM Majedur Rahman, CSE managing director Saifur Rahman Mazumder, CDBL vice-chairman AKM Nurul Fazal Bulbul and Mutual Trust Bank chief Executive officer Anis A Khan have become shareholding directors of the company. The rest one shareholding director would come from a strategic investor.

<http://www.newagebd.net/article/57749/26-banks-to-get-stake-in-bourses-clearing-co>

### Dhaka stocks inch up amid pre-elections jitters

New Age, December 03, 2018

- Dhaka stocks inched up on Sunday, as gains were capped by investors' cautious trading with the national election approaching. But the turnover at Dhaka Stock Exchange plunged ahead of the 11th parliamentary polls scheduled for December 30. DSEX, the key index of DSE, added 0.18 %, or 9.51 points, to close at 5,290.76 points on Sunday after losing 7 points in the previous two sessions.
- The turnover on DSE plunged to BDT 576.54 crore on Sunday compared with that of BDT 735.55 crore in the previous trading session. Average share prices of miscellaneous, telecommunication, pharmaceutical and bank sectors dropped by 1.0 %, 0.61 %, 0.6 % and 0.1 % respectively.
- Average share prices of textile, energy and non-bank financial institution advanced by 0.8 %, 0.7 % and 0.5 % respectively. The textile sector continued leading the turnover chart on Sunday by holding 31 % of the day's turnover. Of the 336 companies and mutual funds traded on Sunday, 181 advanced, 119 declined and 35 remained unchanged.

- DSE blue-chip index DS30, however, dropped 0.32 %, or 6.08 points, to close at 1,855.47 points. Shariah index DSES gained 0.23 %, or 2.84 points, to finish at 1,226.31 points. SK Trims led the turnover leaders with its shares worth BDT 20.77 crore changing hands.
- United Power Generation Company, Saiham Cotton, Kattali Textile, Advent Pharmaceuticals, VFS Thread Dyeing, Khulna Power Company, Fortune Shoes, Shepherd Industries and Pacific Denims were the other turnover leaders. Olympic Industries gained the most on the day with a 10-% increase in its share prices, while National Tubes was the worst loser, shedding 8.74 %.

<http://www.newagebd.net/article/57753/dhaka-stocks-inch-up-amid-pre-elections-jitters>

## IFAD Autos revises schedule of rights share utilisation proceeds

*The co seeks one more year to utilise the proceeds*

The Financial Express, December 02, 2018

- The board of directors of IFAD Autos has decided to revise rights share utilisation proceeds and seek one more year to utilise the rights share proceeds. The revision of rights share utilisation proceeds is subject to the approval of the shareholders and the securities regulator, said an official disclosure posted on the Dhaka bourse's website on Sunday.
- As per the revised condition, the company will purchase another 820 decimal lands at Gazipur with a total cost of BDT 69.58 mn and also purchase 1050 decimals land at Dhamrai in Dhaka. The company will also make expansion of assembling unit where BDT 40 mn will be given to Naif Engineering & Builders for the remaining tasks, the disclosure said.
- They will also spend the remaining balance of more than BDT 37 mn for land development. For all the above revisions, the company will require additional one-year time specified in Rights Offer Document (ROD), the disclosure added further.
- The automobile dealer raised a capital worth over BDT 1.24 bn through issuing 62.19 mn rights shares last year for raising paid-up capital, expansion of the business, meeting the requirement of working capital, and paying off debts. According to Rights Offer Document, the company's rights share proceeds utilisation timeframe is within two years of receiving the fund. Now, the company seeks additional time of one more year specified in the ROD.
- The rights issue is an offer of new shares by a company to its existing shareholders in proportion to the shares they already own and usually at a discount to market price. Each share of the IFAD Autos, listed on the Dhaka bourse in 2015, closed at BDT 107.40 on Thursday last. The company has recommended 22 % cash dividend for shareholders (excluding sponsors/directors) and 10 % stock dividend for all shareholders for the year ended on June 30, 2018. The AGM will be held on December 19.

<http://thefinancialexpress.com.bd/stock/ifad-autos-revises-schedule-of-rights-share-utilisation-proceeds-1543738670>

## LafargeHolcim to amalgamate with Holcim

The Daily Star, December 03, 2018

- LafargeHolcim Bangladesh has informed that its board of directors has decided to make the amalgamation of the company with its 100 % subsidiary Holcim Cement (Bangladesh) Limited.
- The approval is subject to requisite approval of the banks and other creditors to the company, approval of the shareholders of the company and finally, sanction of the High Court Division of the Supreme Court.

<https://www.thedailystar.net/business/news/lafargeholcim-amalgamate-holcim-1668433>

## Petrobangla appoints Ruhul Amin as new chairman

The Financial Express, December 02, 2018

- Additional Secretary of the Energy and Mineral Resources Division Md Ruhul Amin has been made the chairman of the Bangladesh Oil, Gas and Mineral Corporation (Petrobangla). Ruhul Amin joined the Petrobangla as the chairman on deputation on November 29, a Petrobangla press release said on Sunday.
- He joined the Bangladesh Civil Service (Administration) in February 15 in 1988. During his long career, he served as Upazilla Nirbahi Officer, Additional Deputy Commissioner, Deputy Commissioner (DC) of Pirojpur and Divisional Commissioner of Chattogram.
- He also served the Ministry of Industry, the Ministry of Finance, the Internal Resources Division, the Ministry of Shipping, the Ministry of Home Affairs and the Ministry of Commerce in different capacities, BSS reports. Earlier, he served the Petrobangla as an administration director.

<http://thefinancialexpress.com.bd/trade/petrobangla-appoints-ruhul-amin-as-new-chairman-1543750498>

## Dhaka Bank wins 'Bank of the Year' award

The Financial Express, December 02, 2018

- Dhaka Bank Limited has been accredited as 'Bank of the Year-2018 in Bangladesh' for banking excellence from THE BANKER. THE BANKER's 'Bank of the Year' Awards are regarded as the OSCARS of the Banking Industry. For the last 92 years, THE BANKER has been the world's leading monthly international financial affairs magazine owned by The Financial Times Ltd, UK.
- This year Bank of the Year-2018 awards ceremony was hosted by Fiona Bruce at Sheraton Grand London Park Lane, London. The Banker Awards Ceremony was attended by more than 350 Bank Chairpersons, CEO's, CFO's and other senior managers from over 120 countries. During the ceremony award winning crest was handed over to Mr. Syed Mahbubur Rahman, Managing Director & CEO of Dhaka Bank Limited.

<http://thefinancialexpress.com.bd/trade/dhaka-bank-wins-bank-of-the-year-award-1543740425>

## Economy

### Little impact on loan rescheduling

The Daily Star, December 03, 2018

- Bankers' hopes of making substantial loan recovery in the lead up to the polls did not come about as many sharp-witted election candidates rescheduled their loans earlier in the year to keep their nomination unproblematic. No loan defaulter is allowed to contest in the national election as per the Representation of the People Order (RPO).
- As a result, there is a flurry of loan rescheduling in the run up to the submission of nomination papers. To reschedule loans, a down payment of 10 to 30 % is needed, and banks were hoping a similar pattern would ensue this year too. State-owned Sonali, Bangladesh's largest bank, rescheduled loans of 10 defaulters against which it recovered BDT 17 crore.
- Its fellow state banks Agrani and Rupali rescheduled loans of three and seven defaulters respectively, against which they recovered about BDT 2 crore and BDT 5 crore. Private banks Prime, Pubali and Dhaka rescheduled loans of about 12 defaulters and recovered BDT 10 crore altogether.

- In what was a new headache for banks, many election candidates got stay orders from court instead of seeking rescheduling: their loans were already rescheduled thrice, the maximum allowed by Bangladesh Bank rules. Between November 8 and November 27, a total of 202 applications were made for loan rescheduling, according to a high official of the Bangladesh Bank.
- The central bank also formed a separate team and directed it to give permission for rescheduling if there were no major violations in the applications. Some 42 applications were turned down as they applied too close to the deadline for submission of nomination papers of November 28, leaving the central bank with no time to study their papers.
- The RPO this time though allowed candidates to get their loans rescheduled until a day before the submission of nomination papers. The previous cut-off was one week. A total of 3,056 nomination papers were submitted this time, and the scrutiny of the nomination papers was held yesterday. Most of the candidates were rejected on grounds of default loans. Agrani, Janata, Rupali and BASIC Banks reported 40 persons to the returning officers as defaulters.

<https://www.thedailystar.net/business/news/little-impact-loan-rescheduling-1668439>

## Auto parts market swells on rising demand

The Daily Star, December 03, 2018

- **Market size was BDT 1,300cr-BDT 1,400cr last year**
- **Annual growth rate 10-12pc**
- **Market size was below BDT 500cr 10 years ago**
- **At least 200 traders import auto parts**
- **Of the spare parts, 80pc are for Toyota cars**
- The automotive component market in Bangladesh has more than doubled in a space of a decade driven by rising car users, said industry people. Importers bring in engine, alternator, radiator, air conditioner, suspension, brake pads, spoiler, rim, tyre, trim package, body components, among other spare parts needed to serve the booming automotive market.
- The market size of automotive components was about BDT 1,300 crore to BDT 1,400 crore last year with an annual growth rate of 10 to 12 % in the last one decade, said Mosharraf Hossain Manik, one of the major importers.
- At least 200 traders import auto spare parts and most of them have workshops, said Farhad Hossain, another importer. More than 2,500 traders are involved in the component business. Hossain, the owner of The Implementers, said although the sector is growing, no trader has the capacity to set up plants to make spare parts.

<https://www.thedailystar.net/business/news/auto-parts-market-swells-rising-demand-1668445>

## Remittance drops in November

The Financial Express, December 03, 2018

- The flow of inward remittance fell slightly in November over that of the previous month despite the depreciating mode of taka against dollar in recent months. The money sent home by Bangladeshis working abroad amounted to \$1.18 bn in November 2018, down by \$61 mn from the October level, according to central bank officials.
- Remittances stood at \$1.24 bn last October. It was \$1.21 bn in November 2017. On the other hand, remittance inflows rose by 9.67 % to \$6.29 bn during the July-November period of fiscal year (FY) 2018-19. It was \$5.73 bn in the same period of the previous fiscal.

<http://thefinancialexpress.com.bd/economy/bangladesh/remittance-drops-in-november-1543808161>

## Private credit growth on downward slope

The Daily Star, December 03, 2018

- Private sector credit growth remained slow in October as bankers lent cautiously ahead of polls. In October, credit growth stood at 14.7 %, which is the same as in the previous month, according to data from the central bank. The government is likely to borrow about BDT 13,000 crore from banks in December, which will make the money market tighter.
- On June 21, the Bangladesh Association of Banks, a forum of directors of private banks, decided to lower the interest rates on lending and deposit to 9 % and 6 % respectively. The new rates came into effect on July 1. The average interest rate on deposits stood at 5.25 % in October, up from 4.89 % a year earlier, according to the central bank. Import growth in the first quarter of fiscal 2018-19 stood at 11.48 %, in contrast to 28.39 % recorded a year earlier.
- Public sector borrowing, which remained negative for long, logged in 2.6 % growth in October, but it remains well below the 8.60 % ceiling set for the first half of the fiscal year. Anis A Khan, managing director of Mutual Trust Bank, echoed the same as Rahman about the cautious stance of bankers ahead of the polls. The deposit growth is slow because cash circulation amongst public ramps up ahead of election, according to Khan.



<https://www.thedailystar.net/business/news/private-credit-growth-downward-slope-1668442>

## Biman gets new Dreamliner

A team of 32 fly to USA to receive it

The Financial Express, December 02, 2018

- Biman Bangladesh Airlines is set to add the second Boeing 787-8 Dreamliner aircraft to its fleet. Dreamliner, Boeing's most advanced passenger plane to date, was expected to arrive at 4:30 pm on Saturday. Boeing, the American maker, handed over the plane on Thursday (November 29).
- It was scheduled to make a 15-hour non-stop flight from Seattle to Dhaka on Friday night. The aeroplane called Hansabalaka will join predecessor Akash Beena, which began its service on August 19, making the total number of aircraft 15. Earlier, Biman authorities sent 32 people, including board members Mosharraf Hossain Bhuiyan and Barrister Tanzib Ul Alam, to the US to receive the aircraft.
- Representatives from civil aviation and law ministries, parliament secretariat, civil aviation authority of Bangladesh and two banks also went to Seattle to this end. Capt Farhat Jamil, Biman director (flight operation) received the aircraft on behalf of Biman at a programme at 11:00 am on Friday.
- Boeing director (delivery contract) John Borber and deputy director (Middle East and South Asia) Ehsen Rajput were present there. Later, Hansabalaka started its journey for Dhaka carrying the Bangladesh team. Four pilots were supposed to operate the flight-Capt Smallski, Capt Aminul, Capt Shoeb Chowdhury and First Officer Anita Rahman. In 2008, Biman made a \$2.1 bn deal to purchase 10 aircraft from Boeing. It has already received the delivery of four 777-300ER, two 737-800 and one 787-8 Dreamliner.

<http://thefinancialexpress.com.bd/trade/biman-gets-new-dreamliner-1543725549>

## International

### NEW BREXIT HURDLE

#### **Labour threatens May**

New Age, December 03, 2018

- Britain's main opposition Labour Party said on Sunday it would press for contempt proceedings against the government if Prime Minister Theresa May fails to produce the full legal advice she has received on her Brexit deal. The threat is yet another hurdle May must clear before parliament votes on December 11 on her deal for Britain's exit from the European Union, its biggest shift in foreign and trade policy for more than 40 years.
- With the odds looking stacked against her, May is touring the country and media studios to try to win over critics including both eurosceptics and europhiles who say the deal will leave Britain a diminished state, still linked economically to the EU but no longer with a say over the rules. May often says her deal will protect jobs and end free movement. She hopes her argument that it is the only feasible deal with the EU and that voting it down will raise the risks of a 'no-deal' Brexit or no Brexit at all will concentrate minds.
- Labour has said it will vote against the deal. On Sunday its Brexit spokesman, Keir Starmer, increased the pressure on May by saying Labour would start contempt proceedings against the government if it did not publish its legal advice. British media said the contempt move was also supported by the small Northern Irish party which props up May's minority government, underlining her precarious position in parliament.
- The government has promised to give lawmakers access to the legal analysis of the Brexit deal and Attorney General Geoffrey Cox will make a statement to parliament on Monday. Opposition parties suspect it will only offer a summary of that advice. Critics of May say the advice could contain warnings about certain parts of her withdrawal deal with Brussels, especially over the status of Northern Ireland, and if published, might stiffen opposition to the accord.

<http://www.newagebd.net/article/57761/labour-threatens-may>

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