

Stock Market

Stocks dip for 3rd day

New Age, February 04, 2019

- Dhaka stocks dropped for the third session on Sunday as investors continued profit-taking share sales to take fresh position regarding sector-specific scrips amid their corporate declarations. DSEX, the key index of Dhaka Stock Exchange, lost 0.33 %, or 19.67 points, to close at 5,801.33 points on Sunday. The key index lost 123 points in last three sessions.
- Bank, telecommunication and non-bank financial institution sectors dropped by 1.5 %, 0.6 % and 0.5 % respectively. Among the prominent scrips, Grameenphone, Islami Bank, British American Tobacco and IFIC Bank dropped that weighed on the index most.
- Average share prices of life insurance company, pharmaceutical and energy sectors advanced by 1.0 %, 0.92 % and 0.9 % respectively. Share prices of Bangladesh Submarine Cable Company shot up by 9.95 % to BDT 155.8 each as the company declared 2,283 % profit growth for July-December, 2018 compared with that of July-December, 2017.
- Share prices of United Power Generation Company advanced by 1.64 % as the company declared profit growth by 44.8 % for July-December, 2018 compared with that in the same period of 2017. The turnover on DSE dropped to BDT 984.21 crore on Sunday compared with that of BDT 992.73 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Sunday, 186 declined, 133 advanced and 27 remained unchanged. DSE blue-chip index DS30 shed 0.20 %, or 4.12 points, to close at 2,003.84 points. Shariah index, however, gained 0.05 %, or 0.77 points, to finish at 1,311.37 points.
- BSCCL led the turnover leaders for the second day with its shares worth BDT 75.23 crore changing hands on Sunday. United Power Generation Company, Khulna Power Company, Grameenphone, Meghna Petroleum, Premier Bank, Bangladesh Shipping Corporation, Eastland Insurance Company, City General Insurance and Eastern Housing Limited were the other turnover leaders. ICB AMCL Second Mutual Fund gained the most on the day with a 10-% increase in its share prices, while Appollo Ispat Complex was the worst loser, shedding 8.79 %.

<http://www.newagebd.net/article/63720/stocks-dip-for-3rd-day>

Genex Infosys to make debut Feb 6

The Financial Express, February 03, 2019

- Genex Infosys Ltd, an IT company, will make its share trading debut on February 06 (Wednesday) on the bourses under "N" category, officials said. Genex Infosys will be the 9th company under the IT sector on the Dhaka Stock Exchange (DSE).
- The company raised a fund worth BDT 200 mn from the capital market under the fixed price method by offloading 20 mn ordinary shares at an offer price of BDT 10 each under the fixed price method. The share subscription for the initial public offering (IPO) of Genex Infosys took place between November 18 and November 29 last year
- The securities regulator -- Bangladesh Securities and Exchange Commission (BSEC), approved the company's IPO proposal on September 4, 2018. The company's IPO was oversubscribed by nearly 36 times as total subscription received BDT 7.15 bn against IPO issue of BDT 200 mn.
- Genex Infosys will utilise the IPO proceeds for expansion of call centre business (61.50 %), partial long-term loan repayment (30 %) and the IPO expenses 8.50 %), according to its IPO prospectus. The company's pre-IPO paid-up capital is BDT 616 mn and post-IPO paid-up capital will be BDT 816 mn. Its authorised capital is BDT 1.0 bn.

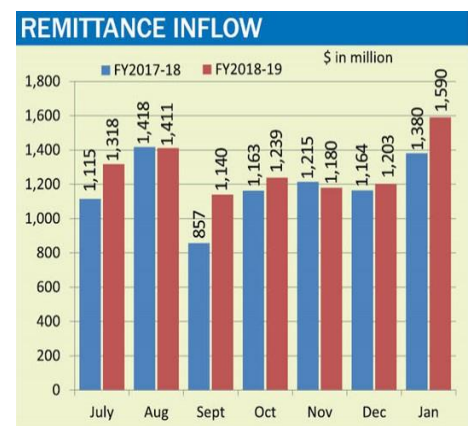
- According to the latest audited financial statements, the weighted average earnings per share (EPS) stood at BDT 1.89, while the net asset value (NAV) (without revaluation) stood at BDT 13.96. Genex Infosys has a fully-owned (99.99 %) subsidiary company. With the earnings of the subsidiary company, the consolidated NAV (without revaluation) stood at BDT 13.97, while the consolidated weighted average EPS was BDT 2.02.
- The Imperial Capital is working as the issue manager of the company's IPO. Currently, eight IT companies are listed with the Dhaka bourse and the IT sector accounts for less than 1.0 % of the DSE's total market capitalisation.

<http://thefinancialexpress.com.bd/stock/genex-infosys-to-make-debut-feb-6-1549167929>

Remittance inflow rises to \$9b in 7 months

New Age, February 04, 2019

- Remittance inflow in seven months (July-January) of the current fiscal year (2018-19) grew by 9.26 % to \$9.08 bn compared with \$8.31 bn in the same period of last financial year (2017-18). Non-resident Bangladeshis sent home record \$1.59 bn in remittance in January this year, which contributed to the growth of remittance in July-January, said Bangladesh Bank officials.
- BB officials also said that upward trend in remittance inflow had continued for the past few months because of appreciation of the US dollar against the Bangladeshi currency, taka, prompting expatriates to send money through the legal channel.
- As per the central bank web site data, the exchange rate of dollar, which was BDT 78.7 in January 2017, increased to BDT 82.9 in January last year and remained at BDT 83.95 in last few days. As the dollar rate was on the rise for last couple of years, remittance inflow through the legal channel rose, said officials of central bank.
- Besides the dollar appreciation in Bangladesh, oil price increase in the global market boosted economies in the Middle East countries and earnings of the expatriates according. Expatriates' income hike also helped them to send higher amount to the country. The central bank's move to increase remittance inflow through the legal channel by taking measures for the prevention of digital hundi was another reason for the rise of remittance inflow in the period.



<http://www.newagebd.net/article/63719/remittance-inflow-rises-to-9b-in-7-months>

Net foreign investment at DSE positive in January

Dhaka Tribune, February 03, 2019

- After three consecutive months of net negative foreign investment, the Dhaka Stock Exchange (DSE) returned to positive territory in January 2019. In the recently concluded month, foreign investors bought shares worth BDT495.19 crore against sales of BDT319.90 crore. This amounts to a net foreign investment of BDT175.29 crore in the first month of 2019
- The market was positive after the December 30 general elections. Another reason for the increase in investment was that foreign investors have a tendency to invest in the capital market when share prices are high, stakeholders said. In December 2018, net foreign investment at DSE was negative. In that month, foreigners sold shares worth

BDT347.62 crore against their buying of shares worth BDT246.09 crore, keeping the net investment of BDT101.53 crore negativ

- In November, foreign investors bought shares worth BDT323.84 crore, against sales of BDT346.35 crore. This amounts to net foreign investment of BDT22.50 crore. In October, the net foreign portfolio investment was negative BDT201.68 crore, with foreign purchases worth BDT282.50 crore against sales of shares worth BDT484.18 crore.
- Foreign investment at DSE fell drastically in 2018, as compared to 2017. In 2018, net foreign investment dipped to negative BDT593.47 crore, which was positive BDT1,704.94 crore in 2017, according to data from the premier bourse. Foreign investments in shares were to the tune of BDT4,496.24 crore, against share sales of BDT5,089.71 crore last year. But in 2017, overseas investors bought shares worth BDT6,576.29 crore, against share sales of BDT4,871.34 crore
- According to the premier bourse, net overseas investment at DSE was BDT78.43 crore in 2011, BDT792.59 crore in 2012, BDT1,942.89 crore in 2013, BDT2,619.78 crore in 2014, BDT185.50 crore in 2015, and BDT1,340.98 crore in 2016.

<https://www.dhakatribune.com/business/2019/02/03/net-foreign-investment-at-dse-positive-in-january>

NSC sales go online

New Age, February 04, 2019

- The national saving certificates online management system was launched on Sunday on trial basis, aiming at checking possible abuses in investment in the government saving tools. Initially, the online database under the Public Expenditure Management Strengthening Programme by the Finance Division will be operated at the headquarters of Bangladesh Bank, Bangladesh Post Office, Sonali Bank and Directorate of National Savings.
- Finance secretary Abdur Rouf Talukdar inaugurated the programme at the Finance Division conference room in Dhaka. The experimental operation would help DNS detect investments beyond the individual saver's limit and fictitious investments.
- During the experimental operation over the next three month, buyers would be required to make payment in cheque for saving certificates worth above BDT 50,000. The operation is expected to be expanded to divisional level and district level by phases to implement the planned mandatory requirement of submission of electronic taxpayer identification number and national identity cards.
- Buyers will also require bank accounts and mobile numbers while purchasing national saving certificates and bonds. Those who have already invested in saving certificates and bonds will have to submit the same to draw profits or encash matured ones.
- The government has long been searching ways to check the high growth in the sales of saving certificates as more and more people in absence of better investment opportunities are buying saving certificates that offer high interest rates.
- In the first five months of the current fiscal year, sales of saving certificates hit 21,661.93 crore, which is 81 % of the annual target of BDT 26,197 crore. The most popular among 11 saving certificates are: 5-year Bangladesh Sanchayapatra (11.28 % yield), 3-monthly Profit Bearing Sanchayapatra (11.04 %), Family Saving Certificate (11.52 %), and Pensioner Sanchayapatra (11.76 % yield).

<http://www.newagebd.net/article/63718/nsc-sales-go-online>

Economy

12 int'l cos to make \$5.78b FDI in economic zones

New Age, February 04, 2019

- Twelve international companies would make around \$ 5.78 bn foreign direct investment (FDI) in Bangladesh's special economic zones (SEZs), generating 13,000 new jobs for the local people. The FDI is coming from Japan, Malaysia, China, United Kingdom (UK), Singapore, UAE, India, Australia and South Korea to the country's building materials, steel, power, processed food, paint, petro chemical and garment accessories sectors, said officials.
- Meanwhile, the companies have signed agreements with Bangladesh Economic Zones Authority (BEZA) for land acquisition and a few of them have already started land development works. BEZA executive chairman Paban Chowdhury said different world renowned big companies were coming to Bangladesh with huge investment proposals.
- In addition, another \$ 5 bn FDI proposal is in the pipeline, disclosed the BEZA Executive Chairman. Among the companies, Macdonald Steel Bldg Ltd (Japan) would make \$ 59.19 mn investment in building materials while Eonmetall Intl Ltd (Malaysia) \$ 9 mn in steel rack, Beijing Zhenyuen Cons Ltd (China) 304 mn for 200 MW solar power, Hangzhou Jinjiang Group Co Ltd (China) \$ 2.5 bn in 1,400 MW coal power, Euresia Food Process Ltd (UK) \$ 30 mn in processed food and Edible Oil Ltd (Singapore) \$ 400 mn in food park.
- Besides, Arab Bangladesh Food Ltd (UAE) would make \$ 12.50 mn investment in frozen food while Asian Paints (BD) Ltd (India) \$ 26 mn and Berger Paints (BD) Ltd (UK) \$ 13 mn in paint production, Merchant Melbourne Ltd (Australia) \$ 3.67 mn in meat net, Aust-Bangla Accessories Ltd \$ 12.15 mn in garment accessories and Super Petro Chemical (Pvt) Ltd (South Korea) \$ 2.38 bn in petro chemical factories.

<http://www.newagebd.net/article/63725/12-intl-cos-to-make-578b-fdi-in-economic-zones>

SWIFT says it's helping BB rebuild network

The Daily Star, February 03, 2019

- International payments network SWIFT said on Saturday it had signed an agreement with Bangladesh's central bank to help it rebuild its infrastructure after hackers used it to steal \$81 mn in 2016 in the world's biggest cyber heist. Unidentified hackers, suspected to be from North Korea, carried out the heist by breaching Bangladesh Bank's systems and using the SWIFT network to send fraudulent money transfer orders to the New York branch of the U.S. central bank, with which the Bangladeshi central bank has an account.
- SWIFT's comments came after the New York Fed on Friday agreed to provide "technical assistance" to Bangladesh Bank in its lawsuit against Manila-based Rizal Commercial Banking Corp (RCBC). RCBC was used to funnel the money, much of which disappeared into the casinos of the Philippines.
- RCBC has called the legal action Bangladesh Bank filed on Thursday as beyond the U.S. jurisdiction, "completely baseless" and "nothing more than a thinly veiled PR campaign" to shift blame from itself. SWIFT - the Society for Worldwide Interbank Financial Telecommunication, a cooperative used by thousands of financial institutions around the world - did not say if it would also help Bangladesh Bank with the court case in New York.
- A person familiar with the technical assistance agreement said the Fed would prepare affidavits and clear employees to testify at hearings or a trial, and also allow Bangladesh Bank to interview employees. It would also provide relevant non-privileged documents and information to Bangladesh Bank or to the court. Bangladesh Bank lawyer Ajmalul Hossain QC declined to comment on SWIFT's role in the legal case against RCBC.

- In its suit filed with the US District Court in Manhattan, Bangladesh Bank accused RCBC and dozens of others, including several top executives, of involvement in a “massive” and “intricately planned” multi-year conspiracy to steal its money.

<https://www.thedailystar.net/business/news/swift-says-its-helping-bb-rebuild-network-1697191>

BD set to get DFQF access to China

The Financial Express, February 04, 2019

- China is set to grant duty-free and quota-free (DFQF) market access for all Bangladeshi products shortly, trade officials said. Except tobacco and maize, all the major Bangladeshi products like apparel, leather, jute and jute goods, medicine and frozen fish will be on the list.
- Bangladesh is going to get the facility under a Chinese zero-tariff treatment scheme for least developed countries (LDCs). To this end, Chinese ambassador in Dhaka Zhang Zuo and commerce secretary Mofizul Islam will sign a 'letter of exchange' soon, the officials added.
- Last Thursday, economic and commercial counsellor Li Guangjuan of Chinese embassy confirmed the matter to the commerce ministry in a letter. The Chinese response came ten months after Bangladesh had formally agreed to sign the letter to avail the benefit. Once a deal is done, Bangladesh's exportables under 97 % of Chinese tariff lines will enjoy the zero-duty benefit.
- China offered the DFQF facility for products under its 60 % tariff lines to all the LDCs in 2010. The offer was made as per the World Trade Organisation's (WTO) declaration at the sixth ministerial council in Hong Kong in 2005. Later, Beijing raised the facility to 97 % of its tariff lines for the LDCs that had signed the letters of exchange with it by 2015.
- But it then stipulated that those who signed the letters would be ineligible for further benefits in the Chinese market under any other multilateral or regional pacts. As Bangladesh did not sign the 'letter of exchange' by 2015, it was not eligible to avail the benefit under the 97 % of Chinese tariff lines. Last April, Dhaka decided to avail the zero-duty facility by dropping the benefits it enjoys in Chinese market under the Asia-Pacific Trade Agreement (APTA).

<http://thefinancialexpress.com.bd/trade/bd-set-to-get-dfqf-access-to-china-1549253164>

International

Foreign businesses fret as China fast-tracks investment law

New Age, February 04, 2019

- China is fast-tracking a foreign investment law at an unprecedented pace to meet Washington's demands on trade, but businesses fear that time to review and raise objections on a crucial piece of legislation has been cut short. The law will eliminate the requirement for foreign enterprises to transfer proprietary technology to Chinese joint-venture partners.
- It also includes other steps to level the business playing field that Western trading partners have long demanded. China's parliament is expected to vote on the legislation in March — barely two months after debating a first draft. Foreign businesses worry the draft glosses over details and that vague language leaves room for broad interpretation.
- For example, it gives China the right to expropriate foreign investment 'for the public interest', which foreign business groups fear could be abused. A draft law was first published for comment in 2015 but was quickly shelved until it resurfaced late last year, Wang said.

- It was only submitted to China's rubber-stamp legislature for a first reading on December 23, and made available for public comment until February 24. The top decision-making body of the legislature convened a special two-day session this past Tuesday to debate another 'updated version', state news agency Xinhua reported.
- The law will probably be approved during the parliament's roughly 10-day annual session which opens March 5, Wang said. The clock is ticking on a March 1 US-set deadline for China to address trade concerns and avert an escalation in their tariff war.
- Both the EU and American chambers of commerce in China said they rushed to submit feedback from members this week. Although the legislation covers several pain points highlighted by US president Donald Trump including safeguarding foreign capital from government 'interference', it falls short in other key areas, the business lobbies said.

<http://www.newagebd.net/article/63728/foreign-businesses-fret-as-china-fast-tracks-investment-law>

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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
Tanzin Naher Research Associate	tanzin@basl-bd.com
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.