

Stock Market

BSEC okays VFS Thread Dyeing's BDT 22cr IPO

New Age, April 03, 2018

- The Bangladesh Securities and Exchange Commission on Tuesday approved VFS Thread Dyeing Limited's proposal to raise BDT 22 crore from the capital market through initial public offering. The company will float 2.20 crore shares at an issue price of BDT 10 each.
- VFS Thread will use the IPO fund for purchasing of capital machinery and plant, paying bank loan and to meet up IPO expenses.
- As per the entity's audited financial statement for the year ended on June 30, 2017, its net asset value per share and weighted average earnings per share are BDT 19.90 and BDT 2.02 respectively.
- Citizen Securities and Investment Limited, and First Security Islami Capital and Investment Limited are the issue manager of the company's IPO.
- The commission at the meeting also allowed Prime Bank Limited for floating non-convertible subordinated bond worth BDT 700 crore.
- The face value of each unit of the bond will be BDT 10 lakh and the bond will be fully redeemable in seven years.
- Only corporate bodies, financial institutions and funds will be allowed to subscribe the bond through the private placement.
- Green Delta Insurance Limited acts as the trustee and Standard Chartered Bank is the mandated lead arranger of the bond.

<http://www.newagebd.net/article/38247/bsec-okays-vfs-thread-dyeings-BDT-22cr-ipo>

Beximco acquires 85pc of Nuvista

New Age, April 04, 2018

- Beximco Pharmaceuticals has completed acquiring 85.22 % of shares of Nuvista Pharma, which is a leading manufacturer of hormonal drugs and steroids in Bangladesh.
- The Bangladesh government currently holds 12.92 % of the stakes in Nuvista.
- Nuvista generated BDT 171 crore in revenue, BDT 11.8 crore in profit before tax and had BDT 54.8 crore worth net assets in the year ending on June 30, 2017.
- The two companies entered into a non-binding memorandum of understanding (MoU) for the proposed acquisition on October 5, 2017 which was mutually agreed upon and finalised on January 18.
- Beximco Group's Vice Chairman Salman F Rahman and Nuvista Pharma's Managing Director Akhter Matin Chaudhury spoke on the occasion.
- Listed on Dhaka Stock Exchange (DSE), Beximco Pharma's share price declined nearly 1 % to BDT 106 yesterday.

<http://www.thedailystar.net/business/beximco-acquires-85pc-nuvista-1557673>

Economy

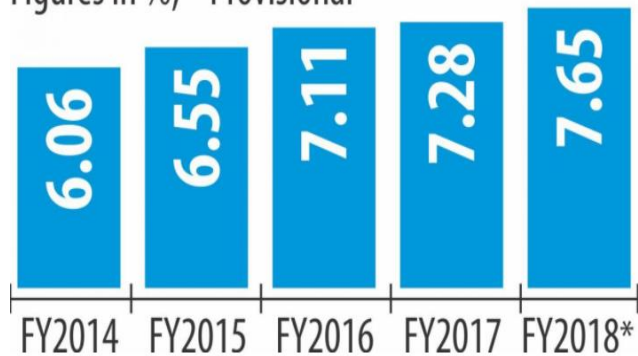
Economy marches towards record 7.65pc growth

The Daily Star, April 04, 2018

- The Bangladesh economy is charging towards record growth figure for the second consecutive year, driven by double-digit growth in manufacturing and construction sectors.
- GDP growth in fiscal 2017-18 is likely to be 7.65 %, up from 7.28 % a year earlier, as per the estimate of the Bangladesh Bureau of Statistics.
- This is the third consecutive year that the economic growth was above 7 % after years of languishing in the neighbourhood of 6 %.
- The provisional estimates show that the manufacturing sector grew 13.18 % this fiscal year and the construction sector 10.11 %.
- The provisional figures are based on data from the past 6 to 9 months.

GDP GROWTH TRENDS

Figures in %; * Provisional

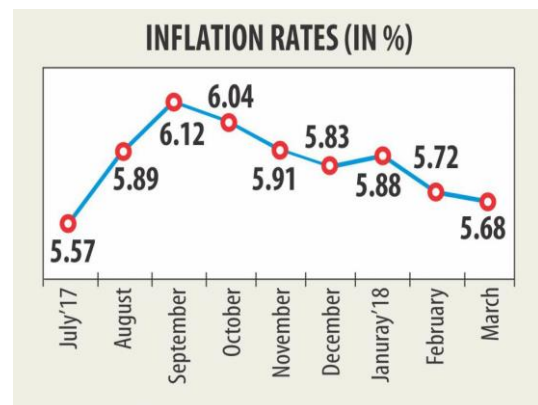


<http://www.thedailystar.net/business/economy/economy-marches-towards-record-765pc-growth-1557706>

Inflation falls to 5.68pc in March

The Daily Star, April 04, 2018

- Inflation came down slightly to 5.68 % in March riding on a decline in food prices, according to the Bangladesh Bureau of Statistics (BBS).
- In February, the inflation rate stood at 5.72 %.
- Food inflation declined in the third quarter of the current fiscal year of 2017-18 on the back of a fall in prices of egg, vegetables, and spices.
- Inflation rose to 5.76 % in January-March, up from 5.28 % in the second quarter.
- According to the Consumer Price Index (CPI) of the BBS, rural inflation was 5.72 % in January-March, up from 5.08 % a quarter ago.
- It also rose in urban areas: it increased to 5.83 % in the third quarter from 5.65 % in the second quarter.
- Price of rice is a key determinant of overall inflation as it accounts for 23 % of the commodity basket in the consumer price index. Coarse rice sold for BDT 42 to BDT 46 per kg in Dhaka yesterday, down 3.30 % from a month ago but up 14 % from a year ago, according to the Trading Corporation of Bangladesh.



<http://www.thedailystar.net/business/inflation-falls-568pc-march-1557697>

Pvt banks to give BDT 160cr to PM's fund

The Daily Star, April 04, 2018

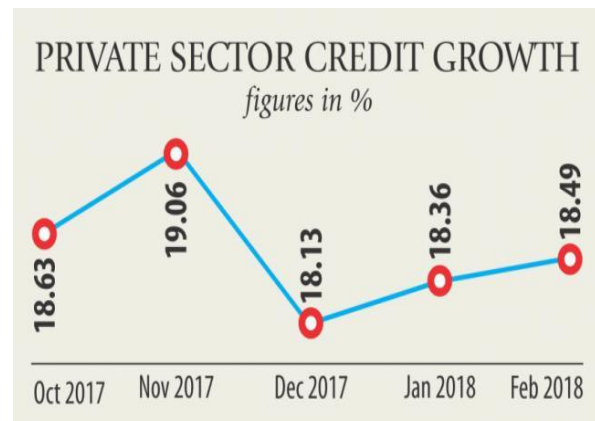
- The Bangladesh Association of Banks (BAB), a forum of private banks' directors, has taken up an initiative to raise BDT 160 crore for the Prime Minister's Relief and Welfare Fund.
- The BAB circulated a letter to all private banks last week saying the 30 old banks will donate BDT 5 crore each while the remaining 10 new banks BDT 1 crore each.
- Prime Minister Sheikh Hasina yesterday invited over the banks' directors and chief executive officers along with their spouses for tea at her Gono Bhaban residence in the capital.
- BAB Chairman Nazrul Islam Mazumder expressed gratitude for the prime minister's continued support for them.
- The banks spent BDT 744 crore from their CSR funds in 2017, BDT 496 crore in 2016 and BDT 527 crore in 2015.

<http://www.thedailystar.net/business/banking/pvt-banks-give-BDT-160cr-pms-fund-1557679>

Private sector credit growth continues to rise

The Daily Star, April 04, 2018

- Private sector credit grew 18.49 % in February, up from 18.36 % a month earlier and way past the central bank's target of 16.3 %, dispelling the notion of an ongoing liquidity crisis in the banking sector.
- The move would give the banks additional BDT 10,000 crore of liquidity.
- The call money rate hovered between 4 and 4.5 % in last three months, with average transaction being BDT 7,000 crore to BDT 8,000 crore, according to the BB.
- The weighted average interest rate on deposits increased slowly in the last several months to hit 5.18 % in February, but it remained below the inflation rate of 5.72 %.
- The weighted average interest rate on lending increased slightly to 9.55 % in February from 9.35 % in December last year.
- The structural imbalance in liquidity management has led to the rise in lending rate, said Md Arfan Ali, managing director of Bank Asia.
- Some banks are offering 9 to 10 % interest rate to attract deposits, which was 6 to 7 % several months back, according to Ahmed.
- The total credit to the private sector stood at BDT 8.62 lakh crore at the end of February, up from BDT 8.51 lakh crore, according to central bank data.



<http://www.thedailystar.net/business/private-sector-credit-growth-continues-rise-1557703>

Export earnings dip in March pulling down 9-month growth

New Age, April 03, 2018

- The country's export earnings fell in March compared with the same month last year, dragging down the earnings growth in first nine months of the current financial year 2017-18 to 6.33 %.
- Export earnings in July-March of the financial year 2017-18 stood at \$27.45 billion from \$25.81 billion in the same period of FY 17.
- The earnings in the first nine months of FY 18 were 0.38 % lower than the government set target of 27.55 billion, according to Export Promotion Bureau data released on Tuesday.
- Experts and exporters said that export earnings in March witnessed a 1.38 % negative growth due to poor performance of non-readymade garment products including leather and leather products and plastic products and engineering products.
- Earnings in March 2018 decreased to \$3.05 billion from \$3.09 billion in the same month of last year, the data showed.
- Before the slump in March, export earnings growth in July-February of the current financial year was 7.38 %.

<http://www.newagebd.net/article/38249/export-earnings-dip-in-march-pulling-down-9-month-growth>

International

Asia shares fail to bounce with Wall St. as trade fears lurk

Reuters, April 04, 2018

- The Trump administration announced 25 % tariffs on \$50 billion of annual imports from China, covering around 1,300 industrial technology, transport and medical products.
- For now, caution was the watchword and MSCI's broadest index of Asia-Pacific shares outside Japan .MIAPJ0000PUS was wavering either side of flat.
- Japan's Nikkei .N225 added 0.1 % in thin volumes, while South Korea .KS11 eased 0.2 %. EMini futures for the S&P 500 ES1 also dipped 0.2 %.
- The S&P 500 pushed above a key support level. The Dow .DJI ended up 1.65 %, while the S&P 500 .SPX gained 1.26 % and the Nasdaq .IXIC 1.04 %.

<https://www.reuters.com/article/us-global-markets/asia-shares-fail-to-bounce-with-wall-st-as-trade-fears-lurk-idUSKCN1HB024>

A China-US trade war could hurt the IPO market for a time: EY

Cnbc April 04, 2018

- A potential trade war between the world's top two economies may affect the initial public offering market in the short term, a managing partner of a top accounting firm told CNBC on Wednesday.
- Chinese companies that are considering options to enter the U.S. market will also face difficulties if the relationship between the two governments shifts from a "partnership basis" to one of a potential trade war.

- In the long run, there will be more dialogue between the two countries according to Choi, who told CNBC he believes both governments are currently gathering more "chips" to bargain with each other in future.

<https://www.cnbc.com/2018/04/03/a-china-us-trade-war-could-hurt-the-ipo-market-for-a-time-ey.html>

U.S. Tariff List Aims at Technology; China Vows It Will Respond

Bloomberg, April 04, 2018

- The U.S. proposed imposing 25 % tariffs on about \$50 billion worth of Chinese-made products, focusing on high-tech items from semiconductors to lithium batteries. China condemned the move and said it will respond on an equal scale against U.S. products.
- The U.S. is targeting the 1,300 product lines to try to force China to change its intellectual property practices, the office said.
- In addition to advanced technologies such as communication satellites, the list includes products ranging from various types of steel to television components, medical devices, dishwashers, snow blowers and flame throwers. The proposed tariffs cover a number of sectors, from health care to aviation and auto parts.

<https://www.bloomberg.com/news/articles/2018-04-02/rattled-bulls-cling-to-predicted-earnings-surge-to-save-stocks>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

About Bank Asia Securities (BASL)

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. 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.