

Stock Market

Stocks gain for 4th day on energy, financial scrips

New Age, October 04, 2018

- Dhaka stocks advanced on Wednesday, extending the gaining streak to four consecutive sessions, as investors increased their stakes in energy and financial scrips.
- On Wednesday, DSEX added 0.77%, or 41.72 points, to close at 5,422.65 points. The key index gained 80 points in last four sessions. The average share prices of energy, bank and non-bank financial institution sectors advanced by 2.0%, 1.91 and 1.9% respectively on Wednesday.
- Out of the 30 traded bank scrips, 26 advanced, just one declined and three remained unchanged while out of the 23 traded NBFIs, 19 advanced, just two declined and two remained unchanged on the day. The share prices of textile and cement also gained on the day.
- The average share prices of engineering, pharmaceuticals and telecommunication sectors dropped by 0.4%, 0.12% and 0.1% respectively on Wednesday. The turnover on DSE advanced to BDT 563.67 crore on Wednesday compared with that of BDT 488.40 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Wednesday, 170 advanced, 112 declined, and 56 remained unchanged. DS30, the blue-chip index of DSE, also added 0.35%, or 6.79 points, to close at 1,899.46 points.
- Shariah index DSES increased by 0.52%, or 6.46 points, to finish at 1,247.75 points. Khulna Power Company led the turnover chart with its shares worth BDT 55.77 crore changing hands. BD Finance gained the most on the day with a 10-per cent increase in its share prices, while Western Marine Shipyard was the worst loser, shedding 16.53%.

<http://www.newagebd.net/article/52239/stocks-gain-for-4th-day-on-energy-financial-scrips>

Top ten traded companies grab 35pc transaction

The Financial Express, October 04, 2018

- Top ten traded companies captured 35% turnover of the major bourse on Wednesday while Khulna Power Company topping the chart. According to statistics available with the DSE, about 4.66mn shares of KPCL were traded, generating a turnover of BDT 557mn, which was 9.88% of the DSE's total turnover.
- The KPCL also topped last month's turnover chart with shares worth BDT 12.73bn changing hands during the month of September, the DSE data shows. The company's share closed at BDT 120.40 on Wednesday, soaring 7.30% over the previous day.
- Khulna Power, which was listed on the DSE in 2010, disbursed 55% cash dividend in 2017. In 2016, it paid 75% cash dividend. The company's earnings per share (EPS) stood at BDT 1.21 for January-March 2018 as against BDT 1.40 for January-March 2017. In nine months for EPS was BDT 3.93 for July 2017-March 2018 as against BDT 3.91 for July 2016-March 2017. United Power followed next, with shares worth BDT 300mn changing hands. The power generation company's share price closed at BDT 334.60 each, advancing 3.75% over the previous day.
- IFAD Autos clinched the third spot, with shares worth BDT 257mn changing hands. The company's share price fell 1.89% to close at BDT 129.40 each. Dragon Sweater emerged fourth with shares worth BDT 164mn changing hands. The company's share price closed at BDT 32.80, gaining 1.86%. Active Fine Chemicals notched the fifth spot, with shares worth BDT 138mn changing hands. The company's share price rose 3.84% to close at BDT 43.20 each.

<https://thefinancialexpress.com.bd/stock/bangladesh/top-ten-traded-companies-grab-35pc-transaction-1538627382>

ACME Laboratories recommends 35pc cash dividend

The Financial Express, October 03, 2018

- The board of directors of ACME Laboratories Limited has recommended 35% cash dividend for the year ended on 30 June 2018. The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on December 6 in Dhaka, said an official disclosure on Wednesday.
- The record date is October 31, 2018. The company has also reported consolidated earnings per share (EPS) of BDT 6.74, consolidated net asset (NAV) per share of BDT 83.39 and consolidated net operating cash flow per share (NOCFPS) of BDT 7.46 for the year ended on 30 June 2018 as against BDT 6.61, BDT 80.13 and BDT 6.70 respectively for the same period of the previous year.
- The company also disbursed 35% cash dividend for the year ended on June 30, 2017. There will be no price limit on the trading of the shares of the company today following its corporate declaration. Each share of the company, which was listed on the Dhaka Stock Exchange (DSE) in 2016 under the book building method, closed at BDT 89.20 on Tuesday.
- The company's paid-up capital is BDT 2.11bn and authorised capital is BDT 5.0bn, while the total number of securities is 211.60mn. The sponsor-directors own 40.12% stake in the company, institutional investors 29.31%, foreign 1.37% and the general public 29.20% as on August 31, 2018, the DSE data shows.

<https://thefinancialexpress.com.bd/stock/bangladesh/acme-laboratories-recommends-35pc-cash-dividend-1538544697>

Govt's tax revenue from DSE slumps 30pc in Q1

The Financial Express, October 03, 2018

- The government's revenue earnings from the Dhaka bourse fell 30% in the first quarter (Q1) of the current fiscal year (FY) compared to the same quarter a year ago as trading volume was on the decline. The government bagged revenue worth about BDT 582mn in July-September quarter of the current FY which was BDT 831mn in the same quarter a year ago, according to statistics from the Dhaka Stock Exchange (DSE).
- The government earned the amount on TREC (trading right entitlement certificate) holders' commission and share sales by sponsor-directors and placement holders. The DSE, on behalf of the government, collects tax as TREC (trading right entitlement certificate) holders' commission and share sales by sponsor-directors and placement holders at the rate of 0.05% and 5.0% respectively and deposits the amount to the government exchequer.
- Of the total earnings in Q1 of the current fiscal year, BDT 450mn came from the TREC holders' commission, popularly known as brokerage commission while BDT 132mn came from the share sales by sponsor-directors and placement holders, the DSE data shows.
- However, month-on-month, the government earnings from DSE rose 51% in September as the total revenue collection stood at BDT 215mn in September which was BDT 142mn in August 2018, the DSE data shows.
- Between July 1 and September 30 of the current fiscal year, DSEX, the prime index of the DSE, fell 36.50 points to reach at 5,368 on September 30, 2018. However, DSEX eroded 232 points alone in September.
- The DSE paid tax worth BDT 2.72bn in FY 2011-12, BDT 1.27bn in FY 2012-13, BDT 1.54bn in FY 2013-14, BDT 1.74bn in FY 2014-15, BDT 1.58bn in FY 2015-16, BDT 2.46bn in FY 2016-17 and BDT 2.33bn in FY 2017-18 on TREC holders' commission and share sales by sponsor-directors and placement holders.

<https://thefinancialexpress.com.bd/stock/bangladesh/govts-tax-revenue-from-dse-slumps-30pc-in-q1-1538542584>

Kattali Textile's IPO lottery draw Thursday

The Financial Express, October 04, 2018

- The IPO lottery draw of Kattali Textile will be held tomorrow (Thursday) to allocate 34mn ordinary shares among the successful applicants. The event will be held at 10:30 am at the AGB Colony Community Center in Motijheel, according to a disclosure posted on the Chittagong Stock Exchange (CSE) on Tuesday.
- The draw results will be published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company. Kattali Textile, which received the IPO approval from the Bangladesh Securities and Exchange Commission (BSEC) on June 26 last, raised a fund worth BDT 340mn from the capital market under the fixed price method.
- The initial public offering (IPO) subscription of the company was opened on August 28 and continued till September 13. The proceeds from the IPO subscriptions of Kattali Textile will be utilised to construct its factory building and employees' dormitory, purchase machinery for an extended unit, install electric transformers and generators, repay bank loans and bear IPO expenses.
- The company's net asset value (NAV) per share was BDT 20.48 (without revaluation) on June 30, 2017 while the earnings per share was BDT 1.94. The NRB Equity Management is acting as the issue manager for the company's IPO.

<https://thefinancialexpress.com.bd/stock/bangladesh/kattali-textiles-ipo-lottery-draw-thursday-1538541664>

Banks' capital base weakens further

The Daily Star, October 04, 2018

- The banking sector's capital base weakened further in the second quarter this year on the back of deteriorating asset quality of banks, as per the Bangladesh Bank's latest data. As of June, banks' capital adequacy ratio (CAR), which determines the adequacy of banks' capital keeping in their risk exposures, stood at 10%, down from 10.11% a quarter earlier.
- The government though would not take any measures to address the situation because of the upcoming general election. Islam went on to criticise Finance Minister AMA Muhith's initiative to prepare a roadmap for his successor in the next government to salvage the ailing banking sector. In a further indication of the progressively precarious state of the banking sector, ten banks, including seven state-owned ones, ended up with a capital shortfall of BDT 25,143 crore at the end of June.
- The banks are: Sonali, BASIC, Rupali, Janata, Agrani, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islamic Bank and Social Islami Bank. Social Islami, which went through an ownership change last year, entered the negative territory for the first time in recent years.
- Since 2009 the government has injected BDT 14,505 crore into state banks but they are yet to show any sign of strengthening their capital base. Of the ten banks, BKB had the highest amount of capital shortfall of BDT 8,010 crore, followed by Sonali at BDT 6,602 crore, BASIC at BDT 3,106 crore and Janata at BDT 2,195 crore.

CAPITAL SHORTFALL IN JUNE	
In crore taka	
BKB	8,010
Sonali	6,602
BASIC	3,106
Janata	2,195
Agrani	1,419
Rupali	1,293
ICB Islamic	1,525
RAKUB	645
BCBL	302
SIBL	46

SOURCE: BB

<https://www.thedailystar.net/business/news/banks-capital-base-weakens-further-1642429>

Economy

Bangladesh to be 26th largest economy

HSBC report says the country will be the biggest mover in global GDP ranking in 2030

The Daily Star, October 04, 2018

- Bangladesh is likely to be the biggest mover in the global gross domestic product rankings in 2030, becoming the 26th largest economy in the world from 42nd now, according to the latest report of HSBC Global Research.
- The report -- The World in 2030: Our long-term projections for 75 countries -- showed Bangladesh's economy would jump 16 notches, the highest by any country, between 2018 and 2030. Bangladesh would be followed by the Philippines, Pakistan and Vietnam and Malaysia on the list of the biggest risers.
- HSBC's long-term growth model projections showed that the real GDP growth of Bangladesh would be 7.1% per year up to 2030, the highest among the 75 countries included in the report. The country is projected to grow 7.3% from 2018 to 2023, 7.0% from 2023 to 2028, and 7.2% from 2028 to 2033. Bangladesh will be a \$700bn economy in 2030 from \$300bn now, according to the report.
- The research refreshed HSBC's long-term forecasting framework to make model projections for 75 developed, emerging and frontier economies to assess growth potential and changes in global rankings by 2030. The report said China is set to continue to be the single biggest contributor to global growth over the next decade and by 2030, will have become the world's largest economy.
- One of the most striking rises amongst the rankings will be by India, which is set to become the world's third-largest economy in just over a decade, up from seventh today – leapfrogging the second- and third-largest developed economies of Germany and Japan. The report focuses on six main categories of economic indicators: catch-up potential, population (size and shape), human capital (education and healthcare), politics, openness and technology.

<https://www.thedailystar.net/business/news/bangladesh-be-26th-largest-economy-1642432>

Bangladesh second largest in global ship scraping

The Financial Express, October 04, 2018

- Bangladesh is the second largest ship scraping country in the world, according to a report released by the United Nations Conference on Trade and Development (UNCTAD). It showed that in 2017, some 6.26mn gross tons of old ships and vehicles were scrapped or demolished in Bangladesh.
- Review of Maritime Transport 2018, prepared and released by UNCTAD, also showed that India demolished the highest amount of old ship, around 6.32mn gross tons, in the past year. Pakistan was the third largest on ship scraping, as the country demolished 3.45mn gross tons followed by China where old ships amounting 3.44mn gross tons were scrapped.
- On scraping the old ships, Bangladesh is, however, more vulnerable in terms of environment compare to other as the country scrapped highest number of oil tankers. In the past year, old oil tankers totalling 3.24mn gross tons were scraped in Bangladesh which was 54% of the world's total scrapped oil tankers. India scrapped 1.93mn gross tons of old oil tankers in 2017.

<https://thefinancialexpress.com.bd/trade/bd-second-largest-in-global-ship-scraping-1538556576>

Remittance inflow rises by 32pc in September

The Financial Express, October 03, 2018

- Remittance inflow to Bangladesh increased about 32% in September compared to the same period of previous year. According to latest Bangladesh Bank statistics, the expatriate Bangladeshis sent home over \$1.13bn in September, reports bdnews24.com.
- Meanwhile, the country received remittances worth over \$3.86bn in the first three months (July-September) of current fiscal year, an increase of 13.73% from the corresponding period a year earlier.
- A rise in global oil prices, the stronger dollar against the taka and the central bank's steps to encourage expatriates to remit funds through legal channels are the reasons for the higher remittance inflow, analysts say. The remittance growth has also boosted foreign currency reserves that were \$32.12bn on Tuesday, the central bank said.

<https://thefinancialexpress.com.bd/economy/remittance-inflow-rises-by-32pc-in-september-1538495231>

Cabinet okays gold policy easing import

New Age, October 04, 2018

- The cabinet on Wednesday approved the country's first-ever gold policy (Gold Policy-2018) to ease import of the precious metal, curb smuggling and promote export of gold ornaments. The approval came at a cabinet meeting held at the Prime Minister's Office with prime minister Sheikh Hasina in the chair.
- After the meeting, cabinet secretary Mohammad Shafiul Alam at a press briefing at the secretariat said that the policy would streamline the gold business in the country as it would make commercial import of gold easier and prevent smuggling of the metal.
- Jewellers will also have to make a declaration with the value-added tax authorities about their stock within six months under the policy. The commerce ministry framed the draft of the policy and placed it before the cabinet for approval.
- Stakeholders including traders, jewellers and economists have been demanding a gold policy for long as the existing Bangladesh Bank guidelines on gold import remain ineffective due to stiff procedures and other complexities, which makes room for widespread smuggling of gold bar into the country.
- Bangladesh has also become a transit point of gold smuggling that particularly targets the Indian market. Gold has never been imported under the BB guidelines, but 80% of the annual demand for 20-40 tonnes is met by smuggled gold and the rest from recycled gold, according to the draft of the policy.
- Currently, a passenger can bring 100 grams of gold without duty and 234 grams with paying duty under the baggage rules of NBR. According to the draft of the policy, licensed gold jewellers would purchase imported gold from authorised dealers to be appointed by the central bank. The draft also proposes provisions making mandatory for the jewellers and gold businesses to get licence, certificate and registration and introduce electronic cash register.
- The jewellers and gold businesses would require preserving national identification details of sellers for buying recycled gold. The draft gold policy also recommended establishment of lab for ensuring quality of gold, introduction of hallmark and cash memos with detailed description of ornaments for protecting the interest of consumers.

<http://www.newagebd.net/article/52238/cabinet-okays-gold-policy-easing-import>

International

Russia, India set to sign \$5.0b missile deal

The Financial Express, October 04, 2018

- Russia and India are set to sign a deal worth more than fivebn dollars on the delivery of Russian S-400 missile systems to New Delhi, according to the Kremlin. Russian President Vladimir Putin will oversee the agreement during his trip to India this week, top Kremlin aide Yuri Ushakov said on Tuesday, reports aljazeera.com.
- Moscow has been negotiating to sell the S-400 long-range surface-to-air missiles to India for months. The sale has irked the United States, India's defence partner, which has wanted to wean India off Russian technology.
- The US has imposed sanctions on Russia for its annexation of the Ukrainian peninsula of Crimea, which means any country that engages in defence or intelligence sharing with Russia could also be subject to sanctions.
- India has signalled it will ask Washington for a special waiver from sanctions, though a US official last week said there is no guarantee it would do so. The S-400 missile system is a state-of-the-art weapons platform with a maximum range of 400km, considered one of the best defence systems in existence.
- The acquisition of the S-400 system would be the latest in a long series of Indian defence purchases, as the country has previously bought combat planes, ships and submarines from Russia. India is not the only country buying the air defence systems from Russia.
- Other countries such as China, Turkey, Saudi Arabia and Qatar have all bought or are planning to buy the anti-aircraft missile weapon. US military officials and politicians have also expressed concerns over Turkey's intention to buy the Russian missile system.

<https://thefinancialexpress.com.bd/world/europe/russia-india-set-to-sign-50b-missile-deal-1538569050>

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