

Stock Market

Stocks inch up for 2nd day amid cautious trading before nat'l polls

New Age, December 04, 2018

- Dhaka stocks inched up for the second day on Monday with a decreased turnover as investors remained cautious ahead of national polls. The turnover on Dhaka Stock Exchange dropped further to BDT 549.86 crore on Monday compared with that of BDT 576.54 crore in the previous trading session.
- DSEX, the key index of DSE, added 0.10 %, or 5.78 points, to close at 5,296.55 points on Monday after gaining 9.51 points in the previous session. Average share prices of energy, miscellaneous and bank dropped by 1.03 %, 0.62 % and 0.10 % respectively.
- Share prices of pharmaceuticals, engineering and non-bank financial institution gained 0.59 %, 0.53 % and 0.31 % respectively. The textile sector continued leading the turnover chart on Monday by holding 25 % of the day's turnover.
- Of the 336 companies and mutual funds traded on Monday, 176 advanced, 110 declined and 53 remained unchanged. DSE blue-chip index DS30 also gained 0.02 %, or 0.48 points, to close at 1,855.96 points. Shariah index DSES, however, shed 0.07%, or 0.96 points, to finish at 1,225.35 points.
- Paramount Textile led the turnover leaders with its shares worth BDT 18.78 crore changing hands. Advent Pharmaceuticals, Indo-Bangla Pharmaceuticals, Khulna Power Company, Kattali Textile, National Housing Finance and Investment, Keya Cosmetics, Square Pharmaceuticals, ML Dyeing and Silva Pharmaceuticals were the other turnover leaders. KDS Accessories gained the most on the day with a 9.88-% increase in its share prices, while Takaful Islami Insurance was the worst loser, shedding 7.58 %.

<http://www.newagebd.net/article/57836/stocks-inch-up-for-2nd-day-amid-cautious-trading-before-natl-polls>

Unilever to buy 82pc of GSK Bangladesh

The Daily Star, December 04, 2018

- Unilever is set to buy 82 % stakes in GlaxoSmithKline's health food and drinks business in Bangladesh for BDT 1,640 crore, as part of the Anglo-Dutch company's push to cash in on Asia's fast-growing economies. It is also purchasing GSK's entire health food and drinks portfolio in India as well as in 20 other Asian countries for 3.3 bn euros (about \$3.74 bn), after it fought off competition from rivals Nestle and Coca-Cola.
- The remaining stakes of GSK Bangladesh, which is listed on Dhaka Stock Exchange, are held by institutes, foreigners and local individuals. GSK's shares yesterday jumped about 4 % to BDT 1,378, up from BDT 1,084 a share a week earlier. As per yesterday's price, the company's market value stood at BDT 1,594.50 crore, which is BDT 45.50 crore less than the price offered by Unilever.
- India is the most important market for GSK, accounting for more than 90 % of its sales. The merger values GSK India at Rs 31,700 crore in total, or Rs 7,540 per share, a 15.4 % premium to the undisturbed share price of Rs 6,531 as at the close of business on March 26.
- The deal, which is expected to be complete by the end of 2019, also marks a rare chance to acquire a fast-growing product in an emerging market where consumers' diets are changing as income per head grows. GSK said its net proceeds from the deal, after tax and hedging costs, were expected to be around 2.4 bn pounds (\$3.1 bn).
- The decision to sell the business comes to support GSK's \$13 bn buyout of Novartis' stake in their consumer healthcare joint venture earlier this year. The buyout gave GSK full control of products, including Sensodyne toothpaste, Panadol headache tablets, muscle gel Voltaren and Nicotinell patches.

<https://www.thedailystar.net/business/news/unilever-buy-82pc-gsk-bangladesh-1668952>

Western Marine bags BDT 6.06 bn ship export orders

The Financial Express, December 03, 2018

- Western Marine Shipyard Limited has received ship export orders worth BDT 6.06 bn from abroad, its chief said. The Chattogram-based leading ship-maker is building 10 ocean-going vessels and boats for exporting to three different countries.
- Western Marine is one of the country's largest shipbuilding companies, which started export of ocean-going vessels in 2008 after bagging orders from Germany. Since 2008, Bangladeshi shipyards have manufactured and exported ferries, cargo vessels, and ocean-going multi-purpose ships for different countries including Denmark, Germany, Norway, Finland, India, New Zealand, UAE, Kenya, and Uganda etc.
- The Western Marine MD said they are now building six ocean-going cargo-ships for Indian Jindal Group, each with the capacity of 8,000 dead-weight tonnage (DWT). The price of the six vessels of Indian company is BDT 3.60 bn, the fishing trawler of Norway is BDT 1.60 bn, and the three ships and tankers for UAE is BDT 860 mn.

<https://thefinancialexpress.com.bd/trade/western-marine-bags-BDT-606-bn-ship-export-orders-1543894953>

Delisting acts as wake-up call for Rahima Food

The Daily Star, December 04, 2018

- Rahima Food Corporation has been prompted to return to production following punitive measures taken by the stock exchanges. Dhaka Stock Exchange (DSE) de-listed the company last July as its operations remained closed for more than three years. Chittagong Stock Exchange (CSE) suspended trading of its shares for the same reason.
- The oil producer on November 11 informed that they wanted to raise paid-up capital through issuance of 2 crore rights shares at BDT 10 each, subject to the approval of the regulatory bodies. The finance will meet expenses for the implementation of a coconut oil producing plant.
- In order to bring the company into operation, City Group in 2016 purchased all of the shares held by the company's sponsors. On completion of ownership changing formalities, Rahima on November 2017 conveyed that they wanted to change the nature of its existing business.
- According to Rahima's annual report of 2018, the company's net operating loss is BDT 1.23 crore but it has BDT 20.43 crore from other incomes, mostly coming from the sale of land.
- The company got BDT 19.75 crore from the land sale and BDT 68.09 lakh as bank interest. Last year it got BDT 22,060 as bank interest. The shuttered company has earnings per share (EPS) of BDT 9.06 as of June 30 this year, which was BDT 0.18 in the negative the previous year.

<https://www.thedailystar.net/business/news/delisting-acts-wake-call-rahima-food-1668943>

Only govt support can save Zeal Bangla

The Daily Star, December 04, 2018

- Operating losses have hit hard Zeal Bangla, as the net capital deficit of the state-owned listed company touched BDT 308.72 crore in total and BDT 489.12 per share at the end of the current year. The auditor of the company doubted that without government support the entity may fail to survive as a going concern, according to a web posting on Dhaka Stock Exchange yesterday.

<https://www.thedailystar.net/business/news/only-govt-support-can-save-zeal-bangla-1668937>

Saif Powertec to invest in subsidiary company

The Financial Express, December 03, 2018

- The board of directors of Saif Powertec Limited has decided to invest initially BDT 32.50 mn in Saif Port Holdings, a subsidiary of the Saif Powertec. Saif Port Holdings will carry on all or any business of all engineering works in the field of civil, mechanical, electrical, chemical and meteorological engineering constructor, said an official disclosure on Monday.
- The Saif Port Holdings will also work with consultation and performing undertaking to execute contracts to design, plan and control, construction of any buildings, road, bridges, railways of different project of BPDB, DESA, WASA, DPDC, DESCO to construct waterways, dock yards, sea port, land port, river port, airport, any type of port related works and operation etc, it said.
- The initial investment in this regard would be BDT 32.50 mn and in this investment Saif Powertec will be the parent company by holding 65 % stake and Saif Port Holdings will be subsidiary company. Each share of the company, which was listed on the Dhaka Stock Exchange in 2014, closed at BDT 21 on Sunday.
- The company has recommended 5.0 % cash and 8.0 % stock dividend for the year ended on June 30, 2018. The AGM will be held on December 27. In 2017, the company disbursed 5.0 % cash dividend for shareholders excluding the sponsors/directors and 28 % stock dividend for all shareholders.
- The company's paid-up capital is BDT 2.97 bn and authorised capital is BDT 5.0 bn, while the number of securities is 297.71 mn. The sponsor-directors own 40.06 % stake in the company, while the institutional investors own 16.01 % and the general public 43.93 % as on October 31, 2018.

<https://thefinancialexpress.com.bd/stock/bangladesh/saif-powertec-to-invest-in-subsiary-company-1543817663>

Govt offers loan moratorium facility to jute sector businesses

New Age, December 04, 2018

- The government has offered jute sector businesses a moratorium facility for partial or total amount of their outstanding loans taken from different banks. Under the facility, working capital loans along with the interests will be transferred to a block account for two years and the loans will be paid within 10 years.
- Bangladesh Bank on Monday issued a circular to all banks citing a decision taken by the Financial Institution Division of the finance ministry in this regard. According to the circular, outstanding loans and interests until October 31, 2018 will be brought under the facility and the rate of interest on the transferred fund will be set based on the cost of fund.
- It also said that those who enjoyed the block account benefit earlier and their loans became classified would also be entitled for getting this privilege. If any beneficiary fails to pay four instalments in the same way, his or her block account facility would be cancelled, BB mentioned in the circular.
- The government has provided the facility to the jute sector businesses following repeated appeals from Bangladesh Jute Mills Corporation, Bangladesh Jute Mills Association and Bangladesh Jute Spinners Association. The members of the associations made the appeal to the government against the backdrop of the export slowdown of jute and jute goods, sector people said.

<http://www.newagebd.net/article/57833/govt-offers-loan-moratorium-facility-to-jute-sector-businesses>

Apparel industry building sustainable businesses

The Daily Star, December 04, 2018

- Markets earlier used to solely depend on supply and demand, and the prices and profit were contingent upon these forces. However, the emerging trends of the global economy are disrupting the economy in ways where businesses need to adapt to the increasingly informed consumers, agile digital competitors, and new customer segments brought by the connectivity of information technology.
- The first industrial revolution used water and steam power to mechanise production. The second used electric power to create mass production. The third used electronics and information technology to automate the production process. Now the fourth industrial revolution is building on the third and it is a digital revolution that synthesises its preceding revolutions.
- As Bangladesh aims to progress to a middle-income country, its stakeholders need to align with the above trend to sustain its development in the long-term. This means: creating an ecosystem that nurtures innovative entrepreneurs who can compete on the world stage; empowering youth that will be the next generation of the workforce; preventing jobless growth; and finally, growing business with broader social and environmental awareness.
- Private and public stakeholders who foresee this necessity have started to convene to align themselves in re-designing the economy, as exemplified by the Thought Leadership programme by Hongkong and Shanghai Banking Corporation (HSBC) and the United Nations Development Programme (UNDP).
- Bangladeshi apparel industry is a quintessential part of the national economy, constituting more than 10 % of the GDP, 80 % of earnings from exports, and well over one-third of the employment. The apparel industry has come a long way during the past two decades, wherein it has the highest number of green factories and half of the factories have effluent treatment plants.

<https://www.thedailystar.net/business/news/apparel-industry-building-sustainable-businesses-1668772>

NBR waives VAT on 4 services for RMG sector

New Age, December 04, 2018

- National Board of Revenue has offered value-added tax exemption to export-oriented readymade garment sector for four services. VAT wing of NBR on November 29 issued a statutory regulatory order exempting export-oriented apparel makers from payment of VAT on expenditure for workers welfare and entertainment, laboratory test fee, IT enabled services and rent-a-car facility.
- VAT was applicable ranging from 5 % to 15 % for the services. RMG sector availed the benefit just a month back of national election scheduled to be held on December 30.
- Excluding the four new services, apparel makers since 2005 have been enjoying 100 % VAT exemption for 13 types of services including supply of goods and services, security, transport contractors and port services, and partial exemption up to 80 % for another three types of services including electricity, water and natural gas bills.

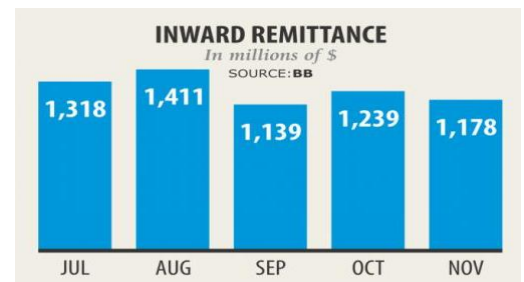
<http://www.newagebd.net/article/57835/nbr-waives-vat-on-4-services-for-rmg-sector>

Economy

Remittance drops in Nov

The Daily Star, December 04, 2018

- Remittances fell 3.14 % year-on-year to \$1.17 bn in November despite the depreciating trend of the taka against the US dollar. Bankers and experts did not find any major reason for the fall and said it might be a temporary phenomenon as the interbank exchange rate between the US dollar and the taka is favourable for the near and dear ones of the remitters.
- Remittances have kept up an upward trend in recent months, narrowing the country's large deficit in the current account. Bangladeshis living abroad might have sent more money through illegal channels last month as the recipients are getting more than BDT 85 per USD, which is higher than the interbank rate, said AB Mirza Azizul Islam, former finance adviser to a caretaker government.



<https://www.thedailystar.net/business/news/remittance-drops-nov-1668946>

International

China agrees \$9b currency swap with Argentina

The Daily Star, December 04, 2018

- China and Argentina signed a \$9 bn currency swap deal to boost the crisis-stricken South American country's foreign currency reserves, its central bank announced Sunday. Struggling to recover after a currency crisis earlier this year, Latin America's third largest economy sought the help of the International Monetary Fund -- which approved a \$56 bn loan package.
- Now, this latest agreement will "contribute to greater financial stability and also facilitate trade" between China and Argentina, according to the bank's statement. A currency swap sees two parties agree to exchange a certain amount of foreign currency at a pre-determined rate, protecting against fluctuations.
- Argentina's central bank will be able to draw on these funds in an emergency. The agreement followed the G20 summit in Buenos Aires, as Chinese President Xi Jinping was received by his Argentine counterpart Mauricio Macri for a state visit. The two countries signed 30 trade and financial agreements in total.
- In 2017, the relationship was firmly in Beijing's favor: China exported \$17 bn of goods to Argentina, while importing \$8 bn of goods from that country. Beijing and Buenos Aires also agreed another currency swap in 2014, which provided \$11 bn for Argentina's depleted treasury reserves.

<https://www.thedailystar.net/business/news/china-agrees-9b-currency-swap-argentina-1668922>

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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.