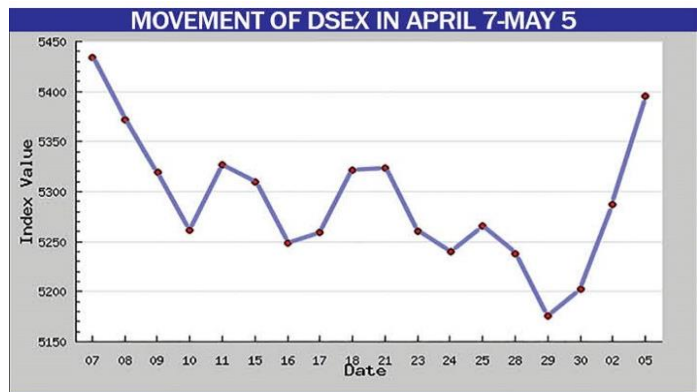


Stock Market

Dhaka stocks skyrocket as govt gives more stimulus

New Age, May 06, 2019

- Dhaka stocks soared for the third day on Sunday as investors increased their investments after the government announced more incentives for the country's capital market that remained volatile in recent months.
- The key index of Dhaka Stock Exchange, DSEX, advanced by 2.04 %, or 108.15 points, to close at 5,394.90 points on Sunday. The core index gained 219 points in last three trading sessions. The government on May 2 announced that it would provide BDT 856 crore in loan to the small-scale investors affected by the recent plunges through Investment Corporation of Bangladesh.
- The government moves came following a 13-week of free-fall at the market, with DSEX losing 750 points. The average share prices of all the sectors advanced on Sunday. The share prices of non-bank financial institution advanced by 3.5 %, bank by 2.6 %, energy by 2.2 %, textile by 2.0 % and telecommunication by 1.1 %.
- Of the 345 issues traded at DSE on Sunday, 292 advanced, 38 declined and 15 remained unchanged. The turnover on the bourse increased to BDT 535.95 crore on Sunday from that of BDT 475.29 crore in the previous trading session.
- DSE blue-chip index DS30 advanced by 1.66 %, or 31.08 points, to close at 1,901.66 points. Shariah index DSES added 1.27 %, or 15.63 points, to finish at 1,240.60 points. National Tubes, Fortune Shoes, Monno Ceramic Industries, United Power Generation Company, Bangladesh Submarine Cable Company, National Polymer, Generation Next, Active Fine Chemical and Esquire Knit Composite were the other turnover leaders.



<http://www.newagebd.net/article/71550/dhaka-stocks-skyrocket-as-govt-gives-more-stimulus>

Inadequate bonded warehouse benefits cost \$8b in exports: IFC

The Daily Star, May 06, 2019

- Bangladesh has lost up to \$8 bn in exports between fiscal years 2012-13 and 2016-17 due to ineffectual bonded warehouse benefits for products other than apparel, said the International Finance Corporation (IFC).
- The Economic Reporters' Forum (ERF) and the IFC, a member of the WB Group, jointly organised the event on tariff modernisation and expansion of bonded warehouse facilities for non-garment exporters. The bonded warehouse privilege provides entrepreneurs with the opportunity to import raw materials duty-free on the condition that the items manufactured with them would not be sold in the domestic market.

- The export of non-garment items ranged \$5-\$7 bn a year during fiscals 2012-13 and 2016-17 and effective bonded warehouse benefit could have boosted shipment by about \$1.5 bn a year. The estimate comes at a time when calls for diversification of the export basket are getting louder.
- At present, apparel accounts for more than 80 percent of Bangladesh's export earnings. While there is provision for bonded warehouse privilege for non-garment exporters, the approval of licence for the access is selective.

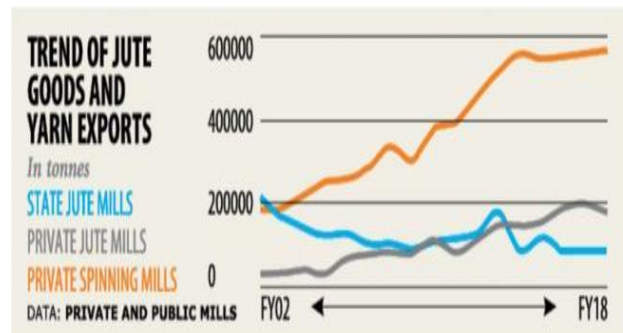
<https://www.thedailystar.net/business/news/inadequate-bonded-warehouse-benefits-cost-8b-exports-ifc-1739335>

Golden fibre in troubled waters

Shrinking foreign markets, poor demand at home and abroad send jute industry in downward spiral

The Daily Star, May 05, 2019

- Exports of traditional jute goods have been falling in the face of competition from low-priced polypropylene and synthetic goods as well as a shrinking demand in the traditional markets abroad.
- The domestic market is not growing much either as the government has failed to fully enforce the Mandatory Jute Packaging Act passed nine years ago.
- And although exports of diversified jute products show a rising trend, it is too little to rescue the sector involving 4 crore people, according to export data and industry people. Ironically though, Bangladesh is a major global supplier of jute products.
- On average, the country produces 15 lakh tonnes of jute per year. Of the volume, private and public mills process about 10 lakh tonnes to make yarn, sacks and other jute goods. The rest is used domestically or exported as raw jute.
- The country's jute industry relies heavily on export, which accounts for more than 80 percent, because of a lukewarm response from the domestic market. But in recent years exports of jute and jute goods nosedived due to the falling demand in Turkey and India, two major markets.
- In 2017-18, export earnings from these products stood at \$122 mn, according to BJMC and privately-run Bangladesh Jute Mills Association (BJMA). Currently, BJMC has unsold jute goods worth BDT 755 crore for a lack of buyers. In 2017-18, the state corporation incurred a loss of BDT 466 crore.



<https://www.thedailystar.net/frontpage/news/golden-fibre-troubled-waters-1739209>

UCB to install 300 CRMs by year-end

Move to digitise the banking services profusely

The Financial Express, May 06, 2019

- In a trailblazing move, United Commercial Bank (UCB), a leading first generation private commercial bank has progressed fast to replace the traditional automated teller machines (ATMs) with cash recycler machines (CRM) that also allow cash to be credited in real time.
- A CRM accepts cash, counts the notes, authenticates them and credits the amount to the bank account in real time. Unlike an ATM that just allows cash withdrawal, a CRM accepts cash, counts the notes, authenticates them and credits the amount to the bank account in real time, reducing the manual labour for the service for banks.
- UCB is the first to install the CRM in Bangladesh. The bank set up its first CRM in January of 2017 near the land registry office at Rugganj of Narayanganj under a pilot project. The bank's customers adopted the new technology within a short time and that encouraged banks to go for CRM roll-out on a large scale, said the UCBL official.
- Under the CRM services, customers can deposit cash, withdraw the money, transfer the fund, pay the utility bills and apply for loan facilities.

<http://thefinancialexpress.com.bd/stock/ucb-to-install-300-crms-by-year-end-1557033189>

Economy

New banking hours for Ramadan

New Age, May 06, 2019

- Bangladesh Bank on Sunday set the office hours for all banks and non-bank financial institutions from 9:30am to 4:00pm for the month of Ramadan. However, transactions by clients through the banks and NBFIs will take place till 2:30pm from 9:30am from Sunday to Thursday during the fasting month for Muslims.
- Officials of the entities will get a prayer break between 1:15pm and 1:30pm, according to a BB circular. During the prayer break, transactions will be made through internal coordination as was done before Ramadan.
- Usual working and transaction hours will resume at the banks and financial institutions after Ramadan. Normally the bank office hour is from 10:00am to 6:00pm.

<http://www.newagebd.net/article/71552/new-banking-hours-for-ramadan>

Interest rate for trade financing in forex revised

New Age, May 06, 2019

- Bangladesh Bank on Sunday revised the interest rate on foreign currency loans to facilitate trade financing following demand from banks, said a BB circular issued on the day.

- In February this year, banks at the 21st forum of authorised dealers requested the central bank to set the rate on foreign currency loans, which they issue against export and import bills, at 7 % inclusive of London Interbank Offered Rate (LIBOR).
- The central bank, however, in a circular on Sunday, allowed banks to charge their customers up to LIBO plus 3.5 %. As per the central bank's instruction issued in 2013, the authorised dealers of banks are allowed to issue foreign currency loans against export and import bills also known as buyer's credit and supplier's credit at highest 6 % interest inclusive of LIBOR.
- The loans are being received in foreign currency from overseas sources on the basis of local bank guarantees. Banks demanded the interest rate be set at 7 % inclusive of LIBOR as they found profit margin insignificant due to a rise in LIBOR.
- As per the latest data, the rate of six month's average LIBOR increased to 2.64 %. If the new rate is taken into consideration, banks would be able to charge highest 6.14 % for foreign currency trade finance. For now, banks will get an additional 0.14 % interest advantage due to the revised rate.

<http://www.newagebd.net/article/71551/interest-rate-for-trade-financing-in-forex-revised>

Pvt sector credit growth in March 54-month low

New Age, May 06, 2019

- Private sector credit growth hit a 54-month low in March this year amid rising liquidity crisis in the country's banking sector. As per the latest Bangladesh Bank data, the growth dropped to 12.42 % in March this year from 12.54 % in the previous month.
- The growth rate in March was the lowest since October, 2014 when it was 12.12 %. Experts expressed their scepticism about achieving by the government its economic growth target for the current fiscal year (2018-2019) with the private sector credit growth situation.
- Amid a hike in interest rates by banks for fetching deposits, the central bank in March extended the ADR adjustment deadline by six months to September 30, 2019 from March 31, 2019.
- Apart from the ADR adjustment-centric liquidity crisis, a slow growth in deposits in the banking sector also lessened banks' credit disbursement capacity. Savers' much interest in the national savings certificates against which the government is offering around 12 % interest is also hindering the banks' deposit collection moves.
- Due to liquidity crisis, banks borrowed BDT 13,475.8 crore from the central bank through repurchase agreement (REPO) in the period between July, 2018 and March 5, 2019 while the entities borrowed BDT 572.86 crore in the entire 2017-2018 fiscal year. In the fiscal year of 2016-2017, banks' borrowing through REPO was BDT 115.67 crore.

<http://www.newagebd.net/article/71548/pvt-sector-credit-growth-in-march-54-month-low>

App-based wallet boosts transaction

The Daily Star, May 06, 2019

- The financial industry in Bangladesh is increasingly embracing mobile application-based transaction -- a move that is gaining traction and holds the potential not only to make the country a cashless economy but also a card-less one.
- Alongside the fast-expanding mobile financial services (MFS), bank cards are being used through mobile app, making carrying cards almost irrelevant. Using cards and the MFS on apps is very convenient and this is the recent trend in the banking sector.
- Recently, bKash has enabled its customers who are using the app for transaction to add money directly from any banking accounts of six commercial banks and Mastercard in a boost to the country's mobile app-based transaction.
- bKash, which has about 3.1 crore active users, also brings lots of services such as bill payment, salary disbursement, tuition fees for schools, and merchant transaction payments. It regularly offers huge amount of cash back to customers on various occasions.
- Nagad, the latest entrant to the country's MFS scenario, is getting positive response from the market as its users are mostly using mobile app. Its majority share is held by state-run Bangladesh Post Office and it is run by a private management.
- Two mobile phone operators, Grameenphone and Robi have two app-based transaction services respectively GPay and Robi Cash, which enable users to perform a wide range of payment transactions such as utility bill, train ticketing and airtime purchase.

<https://www.thedailystar.net/supplements/cashless-shopping-and-dining/news/app-based-wallet-boosts-transaction-1739371>

International

India sees little scope for Jet Airways revival

New Age, May 04, 2019

- India's government sees little hope of a bidder emerging for debt-laden Jet Airways Ltd, two senior finance ministry officials said, even as thousands of employees plead with the government for a rescue. Parties that had initially expressed interest in Jet, which is saddled with roughly \$1.2 bn of debt, have so far failed to make firm bids to bail it out, increasing the odds that it could soon face bankruptcy proceedings.
- A second senior finance ministry official said it was only a matter of time before someone dragged Jet to the National Company Law Tribunal - India's bankruptcy court - for recovery of dues from Jet. It will most likely be one of Jet's creditors and not its lenders that do so, said both the officials who spoke on condition of anonymity.
- Unions have been pleading with the government to ensure the airline is rescued. Last week, in a letter to the prime minister seen by Reuters, its pilots union urged the government to intervene and speed up the bid process for the airline and stop the deregistration of its aircraft by its lessors.

- Jet had a fleet of more than 120 aircraft but more than half have been deregistered and repossessed by lessors. India's aviation authorities have also been temporarily farming out Jet's slots to rival carriers as airfares have soared in the wake of Jet's shutdown.
- State Bank of India (SBI) said last month that it expected bidders to submit binding bids by April 30, and to complete the sale process this month. However, bankers involved in the process told Reuters last week that no binding bids had emerged.

<http://www.newagebd.net/article/71555/india-sees-little-scope-for-jet-airways-revival>

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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).

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