

Stock Market

Stocks inch up on bargain hunting after 4-day fall

New Age, September 06, 2018

- Dhaka stocks gained slightly on Wednesday, snapping a four-day fall, with an increased turnover due to bargain hunting by investors. Market operators said the news that the Chinese group of Shenzhen and Shanghai stock exchanges on Tuesday officially became Dhaka Stock Exchange's strategic partner also brightened the investors' mood.
- DSEX, the key index of the DSE, gained 0.16%, or 9.43 points, to close at 5,562.23 points on Wednesday after losing 66.61 points in the previous four sessions. The market finished the session with a slight gain as investors were active on both sides of the trading fence, market operators said.
- The turnover on the DSE advanced to BDT 811.75 crore on Wednesday compared with that of BDT 716.98 crore in the previous trading session.
- United Power Generation Company, Peninsula Chittagong, Unique Hotel and Resort, Aman Feed, Confidence Cement, BBS Cables, National Housing and Finance Services, IPDC Finance and Bangladesh Steel Re-Rolling Mills were the other turnover leaders.

<http://www.newagebd.net/article/49922/stocks-inch-up-on-bargain-hunting-after-4-day-fall>

Mega projects lift demand for steel

The Daily Star, September 06, 2018

- The rising demand for long and flat steel products is helping the steel sector expand fast thanks to the ongoing large infrastructure projects and construction of several economic zones, experts said yesterday. They also underscored the need for the government's policy support to protect the local industry in the wake of a new global trend of gated globalisation.
- Now, some countries are going for free trade agreements, eliminating tariff barriers among themselves while outsiders continue to facing higher tariffs. Economists call this gated globalisation. The experts spoke at the inaugural session of a two-day international conference on steel titled "Bangladesh Steel 2018".
- Steel Group, a global networking platform based in Mumbai, organised the event in association with Steel Users Federation of India. The conference—the fourth such event to be held in the port city—is taking place at Radisson Blu Chittagong Bay View.
- Over 250 delegates from 19 countries, including the USA, China, Japan, Germany, South Korea, Australia, Singapore, Italy, Belgium and India, are taking part in the event along with most of the major stakeholders of Bangladesh's steel industry.
- Raghav Productivity Enhancers Ltd of India, BSRM and PHP Family are sponsoring the conference. Per capita steel consumption in Bangladesh has grown to 45 kilogrammes (kg) last year from 25 kg in 2012, Sufi Mohammed Mizanur Rahman, chairman of PHP Family, said after inaugurating the event.
- Per capita steel consumption is much higher in developed countries—400 kg in South Korea, 600 kg in the USA and 1,000 kg in Japan—compared to Bangladesh, he said. The amount of steel consumption is an important ingredient to understanding the economic growth of a country, Rahman said.

<https://www.thedailystar.net/news/business/mega-projects-lift-demand-steel-1629871>

MIDAS creating economic opportunities for many

The Daily Star, September 06, 2018

- When Micro Industries Development Assistance and Services (MIDAS) began its journey in 1982 to nurture entrepreneurship, there were few organisations in Bangladesh that supported would-be entrepreneurs. But when an individual decides to become an entrepreneur by way of initiating a business, he or she needs guidance and assistance such as training, access to low-cost funds and market access so that their ventures become successful.
- “That’s what MIDAS has been providing for more than 35 years,” Parveen Mahmud, chairperson of the organisation, told The Daily Star in an interview recently. “As a result, MIDAS has become a role model for others. Now, private sector organisations and the government are taking initiatives to help develop entrepreneurship skills,” she said.
- MIDAS came into being as a non-profit voluntary organisation for the development of micro, small and medium enterprises (MSMEs), the largest job creator in Bangladesh, with the financial assistance of USAID.
- Late RMH Hirji of Dacca Refractories, late Samson H Chowdhury of Square Pharmaceuticals, Lailun Nahar Ekram of Engineers & Consultants Bangladesh Ltd, former secretary SM Al-Husainy, and Bazlur Rahman Khan of MIDAS had led the organisation as its chairperson on different occasions, helping it march ahead.
- The lending operation of MIDAS is now being handled by its subsidiary MIDAS Financing Ltd, a leading non-bank financial institution. MIDAS’s core services include study and research, baseline survey and end-line survey, human resources development, technology transfer for private sector development, project preparation, implementation, management, monitoring and evaluation, and providing marketing assistance to women entrepreneurs.

<https://www.thedailystar.net/news/business/midas-creating-economic-opportunities-many-1629874>

Economy

100pc electrification by 2021: PM

The Financial Express, September 06, 2018

- Prime Minister Sheikh Hasina has said the government is working to ensure 100% electrification across the country by 2021. “We will reach the electricity to cent% people of the country by 2021,” she said on Wednesday in a message on the eve of the National Power and Energy Week 2018, reports BSS.
- The Prime Minister mentioned that 90% people of the country have already been brought under electricity coverage. “A total of 13,800 MW electricity was added to the national grid from 94 government and non-government power plants during the last nine and half a years,” Sheikh Hasina said.
- Electricity production capacity has increased to 20,000 MW, she said, adding that 56 power plans are now under construction having capacity of producing 14,134 MW.
- The government also taken various steps in exploring gas and increasing its production, the premier said, adding that four new gas fields have already been discovered.

<http://thefinancialexpress.com.bd/national/100pc-electrification-by-2021-pm-1536158556>

Bangladesh attracts nearly \$3.0b FDI in 2017-18 fiscal year

The Financial Express, September 06, 2018

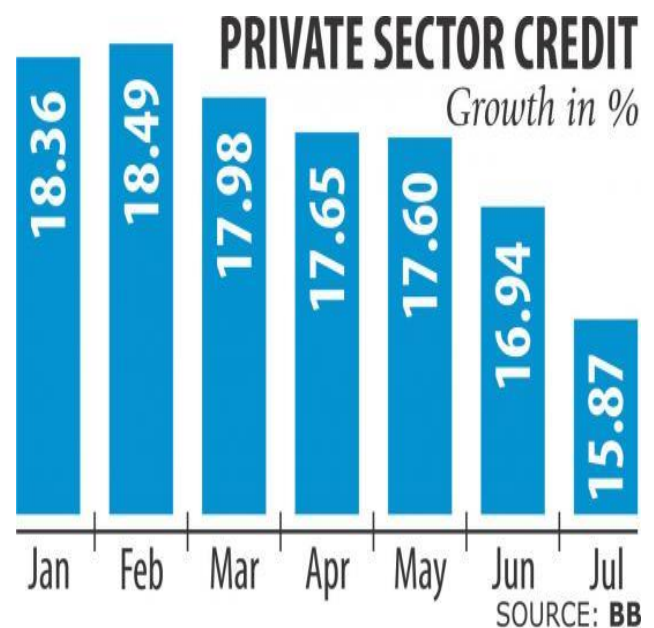
- Bangladesh has attracted nearly 3.0 billion US dollars in Foreign Direct Investment (FDI) in the fiscal year 2017-18 (FY18), the country's central bank data showed Wednesday. According to the Bangladesh Bank (BB) data, the country's gross FDI inflows stood at \$2,798 mn in FY18.
- The figure was \$3,038 mn in FY17, it showed. According to BB data, net FDI inflow in the country in the last fiscal (FY18) stood at \$1,583 mn against \$1,653 mn in the same period a year earlier, reports Xinhua.
- Inadequate basic infrastructure has long been blamed for impeding large FDI inflow in Bangladesh.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-attracts-nearly-3b-fdi-in-2017-18-fiscal-year-1536149782>

Private credit growth hits 18-month low

The Daily Star, September 06, 2018

- Private sector credit growth dropped to an 18-month low of 15.87% in July, as banks have adopted a “go slow” policy for loan disbursement to comply with the central bank's newly set loan-deposit ratio. This growth was 1%age point less than the central bank's target of 16.8% for the first half of the current fiscal year.
- In February last year, private sector credit growth hit 15.61%, which continued to rise till November when the growth reached 19.06%. But the credit growth started falling from December last year to July this year, according to data from Bangladesh Bank.
- In continuation of the declining trend, the credit growth dropped sharply in the last three months, from 17.60% in May to 16.94% in June. The central bank's decision to slash the loan-deposit ratio by 1.5%age points to 83.5% was one of the main reasons for the declining credit growth, bankers and experts told The Daily Star.
- The central bank took the decision on January 30 and instructed banks to implement the new ratio by March next year. Some banks have already adjusted their loan-deposit ratio through their cautious approach to disbursing loans, said Rahman, also the managing director of Dhaka Bank. The decision taken by banks to bring down the lending rate to a single digit has also put an impact on the credit growth, he said.



<https://www.thedailystar.net/news/business/private-credit-growth-hits-18-month-low-1629907>

Nitol-Niloy to start assembling Tata pickups this month

Manufacturing to begin by 2020

The Daily Star, September 06, 2018

- A growing demand for commercial vehicles has encouraged Nitol-Niloy Group to start assembling Tata pickup trucks in Bangladesh from this month. “Now we will assemble the pickup, but we have a target to manufacture at least 25% of the components locally by 2020,” said Abdul Matlub Ahmad, chairman of Nitol-Niloy Group.

- The group initially plans to assemble 800 pickup trucks every month at a plant of Nita Company Ltd, a joint venture of Nitol and Tata, located in Jessore. Currently, chassis of trucks, buses and minibuses are imported in completely knocked down (CKD) condition and assembled at this plant.
- Bangladesh Road Transport Authority (BRTA) data showed that the demand for pickup trucks was over 1,000 units per month last year and the growth rate was over 18%. BRTA gave registration to 13,512 units of pickup trucks of different manufacturers in 2017, up from 11,371 units in 2016; 10,257 in 2015 and 9,554 in 2014.
- Ahmad said as per international practice at least 25% of the components of a vehicle must be manufactured locally to call it a local product. Nitol Motors would manufacture the chassis, body, pinion, wheel rim and brake components, which would be economically viable. Ahmad said Tata would directly supply the rest of the components to the manufacturing plant.
- Now, it is the largest distributor of Tata Motors in South Asia, and the most dominant player in the country's commercial vehicle market having over 40% of the market share. According to Nitol Motors, it accounts for over two-thirds of the pickup truck market in the country and it has been growing at a double digit rate for the past five years.

<https://www.thedailystar.net/news/business/nitol-niloy-start-assembling-tata-pickups-month-1629904>

International

SEBI will review tighter norms on foreign funds

The Daily Star, September 06, 2018

- The Securities and Exchange Board of India (SEBI) on Wednesday said it would review an order tightening rules on foreign funds ownership by entities of Indian origin, after some fund managers said it could lead to massive dollar outflows.
- The SEBI said in a statement that a panel headed by a former central bank deputy governor had held consultations on various issues and would give its recommendations.
- "Based on these inputs, SEBI would review the matter and shortly take a holistic view," the statement said. In its order on know-your-customer norms issued in April, SEBI said a company majority owned by non-resident Indians or persons of Indian origin would not be allowed to invest as a foreign portfolio investor in the country.

<https://www.thedailystar.net/news/business/sebi-will-review-tighter-norms-foreign-funds-1629877>

Malaysia's exports up 9.4pc on year in July

The Financial Express, September 06, 2018

- Malaysia's exports grew 9.4% in July from a year earlier on higher exports of electrical and electronic products, chemicals and chemical products as well as manufactures of metal. Exports in July totaled at 86.12 billion ringgit (20.67 billion US dollars), according to government data showed on Wednesday. On a month-on-month basis, exports grew 9.6% in July.
- Shipments of electrical and electronics goods, which accounts for 84.6% of the total exports, jumped 12% in July from a year earlier, while crude petroleum surged 90.1%. China remained Malaysia's largest trading partner, accounted for 17.3% of total trade. In July, trade with the country expanded by 19.4% on year to 28.31 billion ringgit.

<http://thefinancialexpress.com.bd/economy/global/malaysias-exports-up-94pc-on-year-in-july-1536157192>

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