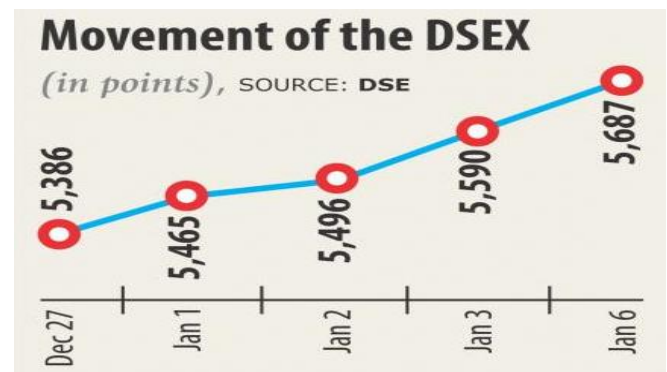


Stock Market

Stocks hit 8-month high

The Daily Star, January 07, 2019

- The stockmarket has continued to maintain its post-election rally, reaching an eight-month high of 5,687 points yesterday. Turnover has also been increasing since the national polls held on December 30. The key index of the Dhaka Stock Exchange, DSEX, increased 300 points in just five sessions. It rose 96.53 points, or 1.72 %, yesterday. Turnover crossed BDT 1,000 crore after four months.
- Market capitalisation of the DSE crossed BDT 4 lakh crore after eight and a half months. It was BDT 4,04,667.64 crore on April 26 last year. The merchant banker said many stocks remained lucrative despite the rally so there was no major cause for concern till now.
- Four junk stocks were in the top gainers' list yesterday. BBS Cables dominated the turnover chart with 28.32 lakh shares worth BDT 31.07 crore changing hands, followed by Paramount Textile, Beximco, VFS Thread Dyeing and Brac Bank. Savar Refractories, one of the junk stocks, topped the gainers' list rising 10 % to BDT 146.3. Sonargaon Textile was the top loser shedding 6.72 %.
- Chittagong stocks also rose with the bourse's benchmark index, CSCX, increasing 163.79 points, or 1.57 %, to finish the day at 10,531.43. Gainers beat losers as 202 advanced and 53 declined while 18 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 2.14 crore shares and mutual fund units worth BDT 33.17 crore.



<https://www.thedailystar.net/business/economy/news/stocks-hit-8-month-high-1683907>

Sinobangla moves to raise production capacity

The Financial Express, January 06, 2019

- Sinobangla Industries has taken an initiative to enhance its production capacity by about 150 tonnes per month. Two floors of the factory will also be upgraded to have clean room facilities. The total estimated cost of the expansion would be about BDT. 150 mn (15 crore), which will be financed with funds partially from its internal source as well as bank loans.
- The company's board of directors took the decision of increasing production capacity by spending the said amount of fund, a company disclosure said. To achieve additional production, the board decided to procure capital machinery.
- The machinery is as follows- looms: 20 sets, needle looms: six sets, sewing machine: 35 sets, twisting machine, bale press, air wash machine, loop cutting machine, liner shaping machine, baffle punching machine: one set each, evaporate air cooling system: one unit, fabric cutting machine and shrink wrapping machine: two sets each.
- Apart from the equipment, a few other ancillary equipment/accessories would also be produced and investment would be made for upgrading two floors of the factory to the level of clean room facilities. Sinobangla Industries, presently an 'A' category company, was listed with the stock exchanges in 1999.

<http://thefinancialexpress.com.bd/stock/sinobangla-moves-to-raise-production-capacity-1546764142>

State banks' cash recovery flatters to deceive

The Daily Star, January 07, 2019

- Despite the huge loan rescheduling spree, the four state-owned banks saw poor cash recovery from their top defaulters in the first nine months of 2018. Sonali, Janata, Agrani and Rupali banks recovered a total of BDT 1,308 crore from defaulters between January and September last year in contrast to the rescheduled amount of BDT 2,722 crore, according to data from the Bangladesh Bank.
- Sonali and Janata recovered a higher amount than a year earlier during the period from their top 20 defaulters, but the other two recovered only a tiny amount. Save for Sonali, the recovery from defaulters other than the top 20 ones was also slower.
- The tendency of taking stay order against the default loans is mostly to blame for the slow recovery, said Mohammad Shams-ul Islam, managing director of Agrani. As of June 2018, the state-owned banks have BDT 46,366 crore tied up with cases with the money loan court.
- Many of the defaulters participated in the 11th parliamentary election by obtaining stay order against their default loans instead of paying back the amount. As a result, the banks could not recover much ahead of the polls, he added.
- Agrani Bank rescheduled a total of BDT 416 crore during the period, and it recovered only BDT 2 crore from the top 20 defaulters in contrast to BDT 21.49 crore recovered a year earlier. Cash recovery from defaulters other than the top 20 non-payers during the period was BDT 205 crore, down from BDT 442.92 crore a year earlier.
- Rupali's recovery from top 20 defaulters stood at only BDT 2 crore, in contrast to BDT 152.70 crore managed in the first nine months of 2017. The bank's recovery from defaulters other than the top 20 stood at BDT 113 crore in contrast to BDT 251.30 crore registered a year earlier.
- The bank did not reschedule any loans though during the first nine months of last year, according to data from the central bank. Sonali and Janata's recovery from the top 20 defaulters improved thanks to huge loan rescheduling. Cash recovery from the top 20 defaulters of Sonali was BDT 48 crore as of September 2018, up from BDT 31.14 crore registered a year earlier. Its recovery from defaulters other than the top 20 ones amounted to BDT 555 crore, lower than BDT 559.51 crore realised a year earlier.

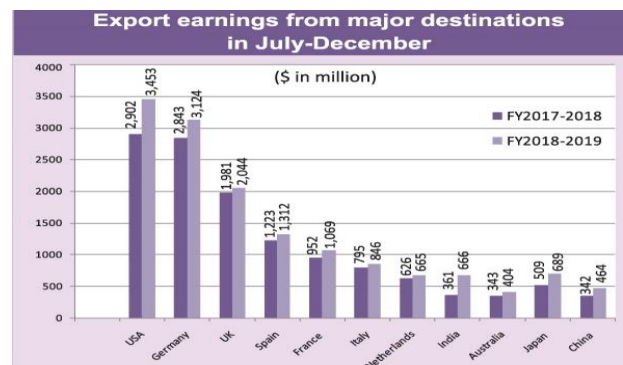
<https://www.thedailystar.net/business/banking/news/state-banks-cash-recovery-flatters-deceive-1683895>

Economy

Bangladesh H1 exports to US jump 19pc on US-China trade spat

New Age, January 07, 2019

- Country's export earnings from the United States in the first half of the current financial year 2018-19 grew by nearly 19 % as the ongoing trade tension between the US and China encouraged global garment retailers to increase their import orders to Bangladesh.
- According to the Export Promotion Bureau data, export of readymade garment products to US, the largest export destination for Bangladesh, in the July-December period of FY19 increased by 18.93 % to \$3.09 bn from \$2.60 bn in the same period of FY18.



- Country's overall export earnings from the US, in the first six months of FY 19 grew by 18.97 % to \$3.45 bn from \$2.90 bn in the same period of FY 18. Export earnings from Germany, the second highest export destination for Bangladesh, in July-December of FY19 grew by 9.89 % to \$3.12 bn from \$2.84 bn in the same period of FY18.
- RMG exports to the market in the period increased by 10.94 % to \$2.95 bn. Export earnings from United Kingdom, the third largest export destination for Bangladesh, continued to maintain a meagre growth due to the uncertainty surrounding Brexit.
- Export earnings from the UK in first half of the current fiscal year grew by 3.16 % to \$2.04 bn from \$1.98 bn in the same period of FY18, data showed. RMG exports to the UK in the period increased by 1.03 per cent to \$1.87 bn. Country's export earnings growth in the Asian countries including Japan, China and India witnessed an extraordinary growth in the July-November period of the FY19.
- Export earnings from Japan in the first half of FY19 grew by 35.28 % to \$689.39 mn from \$509.57 mn in the same period of FY18. RMG exports to Japan in the July-December of FY 19 increased by 60.61 % to \$547.21mn from \$363.31 mn in the same period of FY18. Export earnings from China in July-December of FY19 grew by 35.81 % to \$464.66 mn from \$342.14 mn in the same period of FY18.

<http://www.newagebd.net/article/61040/bangladesh-h1-exports-to-us-jump-19pc-on-us-china-trade-spat>

Bangladesh trade deficit falls by 12pc in July-Nov on rising exports

New Age, January 07,2019

- The country's trade deficit eased by 12.46 % or \$0.95 bn in July-November of the current 2018-2019 fiscal year compared with that in the same period of the last fiscal year due mainly to a rise in export earnings. In July-November of 2018-2019, trade deficit stood at \$6.66 bn, down from \$7.61 bn in the same period of previous fiscal, showed Bangladesh Bank data released on Sunday.
- It's the export earnings, especially in the readymade garment sector, which posted significant growth in the period thus narrowing down trade deficit of the country. Bangladesh received higher orders for readymade garment products from western buyers who shifted their orders to Bangladesh amid the ongoing trade war between the USA and China.
- Besides, the former interim government adviser also warns that the negative growth in capital mercenaries is not a good sign rather it indicates slowing investment. To improve the investment situation, he suggested coordinated improvement regarding the infrastructure, energy, governance along with other ease of doing business indicators.
- In July-November of FY19, the country's export earnings grew by 16.75 % to \$16.77 bn from \$14.37 bn in the first five months of FY18. RMG export grew by 18.59 % to \$14.18 bn in first five months against \$11.96 bn in the first five months of the last fiscal year.
- Import payments grew by 6.64 % year-on year to \$23.43 bn in the period from \$21.97 bn in the same period last fiscal year. Experts, however, said that trade deficit was still at higher zone for the country.
- Deficit in the overall balance, however, doubled to \$837 mn in July-November of FY19 from that of \$479 mn in the same period of FY18. In the period, the situation of current account balance also improved as the deficit dropped to \$2.56 bn from \$4.74 bn in the same period of last fiscal year due to rise in remittance inflows.
- BB data showed that inflow of remittance increased by 14.83 % or \$2.01 bn, taking the total remittance inflow to \$15.53 bn in 2018 from \$13.53 bn in the previous year. In July-November of FY19, the country's net foreign direct investment, however, declined to \$620 mn from \$649 mn in the same period of the last fiscal year.

<http://www.newagebd.net/article/61037/bangladesh-trade-deficit-falls-by-12pc-in-july-nov-on-rising-exports>

Bangladesh economy to enjoy happiest year in 2019

The Financial Express, January 06, 2019

- The Global Economist Forum (GEF) has said the Bangladesh economy will enjoy one of the happiest years in 2019 in respect to economic freedom, which will help achieve above 7.5 % GDP growth. GEF, a Special Consultative Status development and policy organisation of the United Nations Economic and Social Council (ECOSOC), has released their worldwide economic prediction for 2019, including Bangladesh, reports UNB.
- According to the prediction, Bangladesh exports will be significantly increased due to the US-China trade war. Bangladesh could be able to tap huge amount of foreign direct investment (FDI), especially in the special economic zones. The revenue collection will face short of target due to poor business gain and slow growth in the private sector. But the public sector, especially power sector, will fetch huge investment, it said.
- The power transmission sector could gain investment worth BDT 220.00 bn in 2019. The government debt to the GDP could be increased to 30 %. According to GEF President Dr Enayet Karim, the actual balance of trade will be minus BDT 175 bn due to the huge quantity of import against export.
- As per the prediction of Dr Mohammad Haider Ali Miah, President of Bangladesh chapter of GEF, the poverty will significantly be reduced and it will stand at 21.8 % due to equal distribution of resources.

<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-economy-to-enjoy-happiest-year-in-2019-1546789799>

Apparel shipment to Europe quicker now

Exporters hail transshipment from Kolkata

The Daily Star, January 07, 2019

- Bangladesh's garment shipment to Europe has expedited with the introduction of transshipment facility from Kolkata's Netaji International Airport on a pilot basis, exporters said. Last week, the first-ever bonded cargo from Bangladesh flew out of Kolkata airport. The cargo, weighing 4.1 tonnes, was carried by Bangladeshi trucks to the Benapole land port, where it was loaded on to Indian trucks.
- The Indian trucks carried the goods to the Kolkata airport. The development comes as part of a renewed bilateral trade framework between the two neighbouring nations following government-led panel discussions between the two sides in New Delhi at the end of October.
- Transshipment, which is the shipment of goods or containers to an intermediate destination for delivery to final destination through another mode of transport, will shorten the long lead time by a few days. Moreover, the cost of carrying goods will reduce significantly.
- The programme will be run on a pilot basis for six months to gain experience to come up with regulation to check cargo diversion. The first cross-border and land-to-air transshipment from Bangladesh was run by Expo Freight. The logistics provider has already sent seven flights of cargo after the launch of new operations from the Kolkata airport.
- About the charge, Maria said if it costs BDT 5 for carrying a kg of goods by an airline to Europe from Bangladesh, the Dhaka-Kolkata-Europe route will cost BDT 3.5 a kg. Emirates and Qatar Airways are currently carrying garment items from the Kolkata airport to Europe.

<https://www.thedailystar.net/business/economy/news/apparel-shipment-europe-quicker-now-1683898>

BB tightens supervision over foreign courier companies

Dhaka Tribune, January 07, 2019

- The ADs, within 15 days of such approval for remittance, must report concerned branch of Bangladesh Bank along with supporting documents, for further scrutiny. Bangladesh Bank has tightened its supervision over the foreign courier service companies, instructing them to submit monthly statements to authorized dealers (ADs), according to a circular issued on Sunday.
- According to the circular, the ADs were also asked “to examine the documents meticulously while ascertaining surplus earnings along with payment of due value added taxes and income taxes as per the rules”. The ADs, within 15 days of such approval for remittance, must report concerned branch of Bangladesh Bank along with supporting documents, for further scrutiny.
- Additionally, the courier service companies, which operate on behalf of their foreign principal on free delivery basis and do not remit surplus earning to their head offices, were instructed to submit quarterly statement to central bank through their respective ADs along with supporting documents. Alongside, such entities were also asked to submit annual audited financial statement through their ADs.

<https://www.dhakatribune.com/business/banks/2019/01/07/bb-tightens-supervision-over-foreign-courier-companies>

International

China house price gains no longer a certainty: central bank adviser

New Age, January 07, 2019

- A rising trend in property values in China is no longer a certainty as ‘unprecedented’ state housing price controls come into effect, state media quoted a central bank adviser as saying on Saturday. China’s housing authorities have pledged to stabilise land and home prices in 2019 and ramp up the supply of rental housing to tackle home-affordability issues, state television reported in December.
- The measures should be enough to ensure house prices as a whole will be stable over the next 10 to 15 years, the official China Securities Journal quoted Sheng Songcheng, a People’s Bank of China (PBOC) adviser and dean of the research institute of China Chief Economist Forum, as saying.
- Following a furious boom, China has gradually tightened regulatory controls over its massive property market from mid-2016. But home prices have continued to go up, even as economic growth slows, and managing risks in the sector remains a priority.
- This round of control measures on the real estate sector is unprecedented, and the expectation that home prices will forever go up is now coming to a critical point, Sheng remarked at the 2019 annual meeting of the China Chief Economist Forum.

<http://www.newagebd.net/article/61052/china-house-price-gains-no-longer-a-certainty-central-bank-adviser>

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