

Stock Market

Stocks drop as banks' poor results puncture DSE stake sale hype

New Age, May 07, 2018

- Dhaka stocks inched down on Sunday, stretching the losing spell to the third consecutive sessions as the banks' poor disclosures overshadowed the investors' enthusiasm over the BSEC approval for a Chinese consortium to become the Dhaka Stock Exchange's strategic partner.
- DSEX, the key index of the DSE, lost 0.07 %, or 4.40 points, to close at 5,694.27 points on the day.
- The key index lost 119.5 points in last three trading sessions.
- The market went through a topsy-turvy session as investors were active on both sides of the trading fence, market operators said.
- The market started on a positive note, gaining 27 points within half an hour of the day as a section of investors went for fresh investment amid the news that the Bangladesh Securities and Exchange Commission finally approved the DSE's share sales to a Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange, ending the uncertainty over the issue.
- The BSEC on May 3 approved the DSE proposal for selling 25 % of its shares for BDT 947 crore to the Chinese consortium to make it the strategic partner of the country's premier bourse.
- The market, however, couldn't hold the early vibrancy on Sunday and moved downward soon as a number of banks announced poor earnings and dividends, market operators said.

<http://www.newagebd.net/article/40591/stocks-drop-as-banks-poor-results-puncture-dse-stake-sale-hype>

Govt tax collection from DSE doubles in April

New Age, May 05, 2018

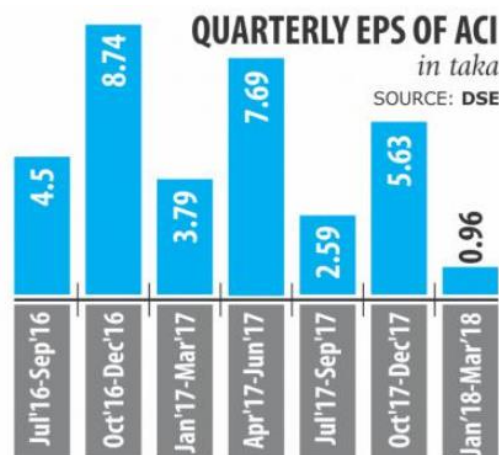
- The government's tax collection from the Dhaka Stock Exchange doubled in April compared with that in the previous month due to a rise in turnover on the bourse.
- The National Board of Revenue in April received BDT 22.02 crore that included BDT 11.49 crore as tax on turnover and BDT 10.53 crore as tax on sponsor-directors' capital gain from share sales.
- In March, the government's tax receipt from the bourse was BDT 10.35 crore — BDT 6.71 crore as turnover tax and BDT 3.67 crore as tax on sponsor-directors' capital gain from share sales.
- Turnover on the bourse increased in April amid the rise in share prices in the bourse. The key index, DSEX, gained 141 points in the month.
- The average daily turnover on the DSE soared by 63 % to BDT 547.36 crore in April with 21 trading sessions compared with that of BDT 335.75 crore in March with 20 trading sessions.
- The tax on sponsor-directors' capital gain shot up in April due to a significant amount of share transactions by directors of some of the companies in block market.
- Under the Income Tax Ordinance 1984, the DSE collects 0.05 % tax on turnover from brokerage houses which collect the tax from investors on their daily transactions and 5 % tax on capital gains made by sponsor-directors and placement-shareholders.

<http://www.newagebd.net/article/40587/govt-tax-collection-from-dse-doubles-in-april>

ACI upsets investors

The Daily Star, May 07, 2018

- ACI, a blue-chip stock, has been disappointing investors with its sliding earnings in the first three quarters of the financial year.
- The business group, which is one of the largest in the country with exposure in commodities to pharmaceuticals and logistics, reported a decline in earnings in every quarter of this financial year, which was well below the investors' expectations.
- The company, however, reported revenue of BDT 1,627.23 crore for the three quarters, up nearly 19 % year-on-year. In fact, the third quarter revenue also rose nearly 17 %.
- EPS of ACI slumped about 72 % year-on-year to BDT 0.96 only in the third quarter (January to March).
- Share price of ACI continues to decline after the disappointing quarterly income results this year. Now a share of ACI is being traded at BDT 360, which is the lowest in a year.
- A top executive of ACI said their sales turnover remains healthy, but high borrowing and import costs due to a rise in lending and exchange rates and massive duty reduction of rice have impacted the EPS of the company.
- "Sales growth of ACI is quite healthy but the EPS has declined due to high borrowing and import costs," said Pradip Kar Chowdhury, executive director (finance and planning) of ACI.



<https://www.thedailystar.net/business/aci-upsets-investors-1572649>

Economy

\$3 Bn in exports from Bangladesh to Canada by 2021

The Daily Star, May 03, 2018

- Capital machinery imports continue to soar amid concerns of money laundering by way of over- and under-invoicing centring on the national elections, due to be held at the end of the year.
- Commerce Minister Tofail Ahmed on Sunday said Bangladesh's exports to Canada will reach \$3 Bn by 2021.
- "If the present trade facilities offered by the Canadian government remain unchanged, Bangladesh's exports to Canada will reach \$3 Bn by 2021," said the minister.
- Bangladesh enjoys duty free access to Canadian markets.
- "In enlarging trade volume in the Canadian market, we are planning to showcase our products – especially leather and diversified jute products as there is a huge opportunity for growth," said Tofail at the 4th Showcase Canada 2018 (Trade and Education Fair) on Sunday.

<https://www.dhakatribune.com/business/2018/05/06/3-Bn-exports-bangladesh-canada-2021/>

Deal signed with Chinese firm for 1,320MW plant

The Daily Star, May 07, 2018

- Thailand wants to invest in Bangladesh's large infrastructure projects as part of efforts to boost bilateral trade and economic ties, a top Thai minister said yesterday.
- Bangladesh Power Development Board (BPDB) signed a joint venture agreement with China Huadian Hong Kong Company Ltd (CHDHK) yesterday to construct a 1,320-megawatt (MW) coal-fired power plant in Maheshkhali, Cox's Bazar at a potential cost of \$2 Bn.
- Under the deal, a joint venture will be set up within a month to start the construction, said BPDB Chairman Khaled Mahmood.
- Each party holds equal share and the joint venture will get 48 months to complete the project, says a handout distributed at the signing ceremony at Bidyut Bhaban in Dhaka.
- Nasrul Hamid, state minister for power, energy and mineral resources, said Maheshkhali would be transformed into an energy hub by the next three to four years.
- He also said the power division was no longer focusing on short-term and mid-term projects. It is putting emphasis on baseload projects.
- Baseload plants are the production facilities used to meet some or all of a given region's continuous energy demand and produce energy at a constant rate, usually at a low cost relative to other production facilities available to the system.
- Hamid said the government would add 1,000MW of electricity to the network in May.
- CHDHK President Fang Zheng said this was an important project for them as it was the company's first investment in Bangladesh.

<https://www.thedailystar.net/business/deal-signed-chinese-firm-1320mw-plant-1572652>

Govt inks LNG deal with Oman

The Daily Star, May 07, 2018

- Bangladesh overtook China and India in ethical compliance in apparel segment on the back of improved workplace safety following pressure from international inspection and remediation agencies, according to a new survey.
- Bangladesh yesterday struck a 10-year deal with Oman to import 1 Mn tonnes of liquefied natural gas (LNG) every year to meet its growing energy demand.
- Syed Ashfaquzzaman, secretary of state-run Petrobangla, and Mahir Al Zadjali, attorney for Oman Trading International, signed the agreement at the Petrobangla headquarters in Dhaka, according to a statement.
- Excelerate Energy and Summit Corporation will regasify the LNG in equal shares using their respective terminals in Moheshkhali and pump it into the national network.
- The Excelerate terminal is almost ready for operations while Summit's one is expected to be complete in October.
- According to the draft contract, LNG from Oman would be supplied at 11.9 % of the three-month average price of Brent oil plus \$0.4 constant per Mn British thermal unit, a measure of the heat content of fuels or energy sources.

<https://www.thedailystar.net/business/govt-inks-lng-deal-oman-1572646>

International

Asia shares edge ahead, U.S. crude tops \$70

Reuters, May 06, 2018

- Asian shares crept higher on Monday after a tame reading on U.S. wages lowered the risk of faster rate hikes by the Federal Reserve, although Sino-U.S. trade tensions and a looming deadline for the Iranian nuclear deal argued for caution.
- Oil prices hit their highest in more than three years as global supplies remained tight and the market awaited news from Washington on possible new U.S. sanctions against Iran.
- President Donald Trump has set a May 12 deadline for Europeans to “fix” the deal with Iran over its nuclear program or he would refuse to extend U.S. sanctions relief for the oil-producing Islamic Republic.
- Brent crude futures LCOc1 added 31 cents to \$75.18 a barrel, while U.S. crude CLc1 climbed 44 cents to \$70.16 to finally crack the \$70 barrier.
- The week ahead also has important readings on the health of the Chinese economy, and hence global demand, as well as the latest data on U.S. consumer price inflation.

<https://www.reuters.com/article/us-global-markets/asia-shares-edge-ahead-u-s-crude-tops-70-idUSKBN1I800Z>

China's About to Give Global Finance the Chance of a Lifetime

Bloomberg, May 06, 2018

- China’s \$42 trillion financial sector is set to open up to the world like never before.
- To deliver on longstanding pledges and help stave off the threat of tariffs from U.S. President Donald Trump, Chinese officials have set a June 30 deadline to ease ownership and business restrictions for banks, securities firms, asset managers and life insurers.
- Securities firms like Goldman Sachs Group Inc. and UBS Group AG have an opportunity to boost their share five fold as they take more direct control of joint ventures, projections by Bloomberg Intelligence show. Insurers including AIA Group Ltd. are set to cash in on their already healthy presence, while banks like HSBC Holdings Plc and Citigroup Inc. face a steeper road ahead to build market share, but will reap juicy profits as they do so.

<https://www.bloomberg.com/news/articles/2018-05-06/global-finance-titans-ready-for-china-s-chance-of-a-lifetime>

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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
Mr. Md. Monirul Islam Research Associate	abir@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Branches

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.