

Stock Market

Stocks rebound on Bangladesh Bank move to ease NBFIs' liquidity crisis

The Financial Express, August 07, 2019

- Dhaka stocks rebounded on Tuesday as investors went for buying shares following Bangladesh Bank move to ease liquidity shortage of crisis-hit non-bank financial sectors. DSEX, the key index of the DSE, added 26.92 %, or 0.52 points, to close at 5,187.29 points on Tuesday after losing 12.49 points in the previous session.
- The country's banking sector has faced severe criticism in recent months over the soaring non-performing loans while a number of NBFIs are facing severe liquidity shortage. A number of NBFIs have been failing to repay depositors' money on time while the government is moving to liquidate crisis-hit Peoples Leasing and Financial Services.
- The average share price of the mutual fund sector lost around 23 % in the last eight sessions as most of the mutual funds declared lower-than-expected dividends. Out of the 353 scrips traded on Tuesday, 136 declined, 173 advanced and 45 remained unchanged.
- Turnover on the bourse increased to BDT 568.76 crore on Tuesday from BDT 477.36 crore in the previous session. DS30, the blue-chip index of DSE, gained 0.53 %, or 9.76 points, to close at 1,836.45 points. DSE Shariah index DSES added 0.39 %, or 4.66 points, to close at 1,194.35 points.
- United Power Generation Company led the turnover chart with its shares worth BDT 30.21 crore changing hands. Khulna Power Company gained the most on the day with a 10-% increase in its share prices while VFS Thread Dyeing was the worst loser, shedding 9.95 %.
- The DSE, meanwhile, in a statement on Tuesday urged a section of investors to abstain from any kind of protests over up and down movements of the stock indexes for the interest of the capital market. The bourse also requested media to avoid in the news reports 'irrelevant words' like 'looting' or 'disappear' of funds from the stock market.

<http://thefinancialexpress.com.bd/stock/bangladesh/united-powers-corporate-director-to-sell-10-mn-shares-1565070152>

United Power's corporate director to sell 10 mn shares

The Daily Star, August 06, 2019

- United Mymensingh Power Limited, one of the corporate directors of United Power, has decided to sell 10 mn shares at prevailing market price in the block market.
- United Mymensingh Power Ltd, one of the corporate Directors of United Power, has reported its intention to sell 10,000,000 shares out of its total holding of 431,170,994 shares of the company at prevailing market price (in the block market) through Stock Exchange (DSE) within next 30 working days, according to an official disclosure.
- The total value of 10 mn shares of United Power Generation and Distribution Company will be approximately BDT 3.48 bn as the company's share closed at BDT 384.20 on Monday at the Dhaka Stock Exchange.
- Recently, United Power has recommended 130 % cash and 10 % stock dividend for the year ended on June 30, 2019. The company has also reported consolidated earnings per share (EPS) of BDT 16.08, consolidated

net asset value (NAV) per share of BDT 62.80 and consolidated net operating cash flow per share (NOCFPS) BDT 16.14 for the year ended on June 30, 2019.

- The company's solo EPS stood at BDT 10.03, solo NAV per share BDT 36.53 and solo NOCFPS BDT 9.75 for the year ended on June 30, 2019 as against BDT 9.59, BDT 34 and BDT 9.0 respectively for the year ended on June 30, 2018. The United Power, which was listed on the Dhaka bourse in 2015 under book-building method, disbursed 90 % cash and 20 % stocks dividend in 2018.

<http://thefinancialexpress.com.bd/stock/united-powers-corporate-director-to-sell-10-mn-shares-1565070152>

25 out of 35 non-life insurers report higher earnings

The Financial Express, August 07, 2019

- Earnings per share (EPS) of 25 listed non-life insurance companies out of a total 35 increased during the first six months (January-June) of 2019 compared to the same period of the previous year.
- Ten insurance companies registered negative growth in the same period, according to the unaudited disclosures of the companies posted on the website of Dhaka Stock Exchange (DSE).
- Currently the bourses have 47 listed insurance companies, including the 35 non-life companies. The rest 12 are life insurance companies. Most of the life insurance companies have not yet published the half yearly financial reports.
- Stakeholders in insurance sector cite clients' increasing confidence in insurers, reduction in the operational costs and rising banks' interest rates against their deposit amount as major reasons for profit surge
- According to the DSE data, the EPS of City General Insurance, Federal Insurance, Asia Pacific General Insurance, Global Insurance, Standard Insurance, Continental Insurance, Dhaka Insurance, Reliance Insurance, Pioneer Insurance, Pragati Insurance, Eastern Insurance, Islami Insurance, Nitol Insurance, Republic Insurance, Sonar Bangla Insurance, Provati Insurance, Agrani Insurance, Asia Insurance, Rupali Insurance, Purabi General Insurance, Janata Insurance and Eastland Insurance Co. Limited also rose in the half year compared to the same period last year.

POSITIVE GROWTH EPS OF NON LIFE INSURANCE COMPANY IN H1 (TOP FIVE) (IN TK)

Insurance company	EPS as Jan-Jun'19	EPS as Jan-June'18	Change in %
Prime Insurance	0.64	0.06	967%
Paramount Insurance	0.87	0.35	149%
United Insurance	1.33	0.84	58%
City General Insurance	0.62	0.44	41%
Federal Insurance	0.37	0.29	28%

NEGATIVE GROWTH EPS OF NON LIFE INSURANCE COMPANY IN H1 (TOP FIVE) (IN TK)

Insurance company	EPS as Jan-Jun'19	EPS as Jan-June'18	Change in %
Northern General Insurance	1.03	1.28	29%
Green Delta Insurance	1.24	1.59	22%
Mercantile Insurance	0.80	1.01	21%
Peoples Insurance	0.85	1.04	18%
Central Insurance	1.03	1.21	15%

Source: DSE

<http://thefinancialexpress.com.bd/stock/united-powers-corporate-director-to-sell-10-mn-shares-1565070152>

Economy

Termination of Workers

Primark cuts ties with some factories

The Daily Star, August 07, 2019

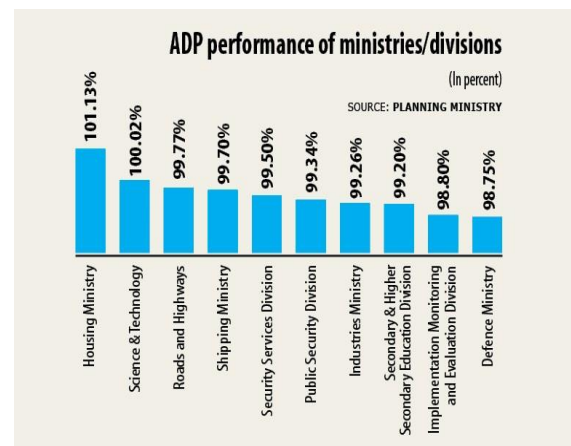
- British retail giant Primark has suspended business ties with some garment factories in Bangladesh, which had terminated 427 workers for their alleged involvement in agitations during December 2018 and January 2019 demanding a wage hike.
- The key issues are that Primark wants withdrawal of cases filed against the workers and clearing all legal dues, explained a senior official of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA) asking not to be named
- Online magazine Just-Style in a recent report said of the 427 workers whose jobs were terminated, 382 were facing legal charges filed by the factory owners. Primark annually purchases nearly \$1 bn worth of garment items from Bangladesh. One of its sources was New Wave Bottoms, a factory housed inside Rana Plaza which collapsed in April 2013 killing over 1,135 workers.

<https://www.thedailystar.net/business/news/primark-cuts-ties-some-factories-1782850>

Lack of feasibility studies delays ADP

The Daily Star, August 07, 2019

- Most of the ministries prepare projects without proper feasibility study and technical design, which increases the cost of projects and delays their implementation, according to a report of the planning ministry.
- Some ministries and divisions prepare a report through an internal meeting that they include as feasibility study in the detailed project plan, according to the report. Besides, the ministries initially start with a small-scale project and later add new components, which delay the project's implementation.
- The meeting reviewed ADP implementation of last fiscal year. Of the 58 ministries and divisions, 32 ministries used up 90 to 100 % of their ADP allocation, 19 managed 70 to 89 %, three 50 to 69 % and four less than 50 %. Besides, the line ministries could not spend BDT 9,966 crore, of which BDT 4,934 crore was of the government's own fund.



<https://www.thedailystar.net/business/news/lack-feasibility-studies-delays-adp-1782862>

BB issues guidelines on remittance incentive

The Dhaka Tribune, August 06, 2019

- Bangladesh Bank (BB) on Tuesday issued a circular on providing 2% cash incentive for money to be remitted through banking channel into the country. The cash incentive would be effective from July 1 this year, said the circular, issued from the foreign exchange policy department (FEPD) of the central bank.
- The documents include passport copy of expats, appointment letter, certificate given from Bureau of Manpower, Employment and Training (BMET) and copy of trade licence in case of remittance generated from business proceeds.
- The government announced cash incentive for inward remittance in the current budget. In the circular, the central bank said the objective of providing cash incentives was to stimulate remitters to continue flow of foreign remittance in larger volume.

<https://www.dhakatribune.com/business/banks/2019/08/06/bb-issues-guidelines-on-remittance-incentive>

Dhaka, Moscow sign nuclear fuel supply deal for RNPP

The Daily Star, August 07, 2019

- Bangladesh signed a nuclear fuel supply agreement with Russia on Tuesday for the Rooppur Nuclear Power Plant (RNPP) project.
- As the implementing agency of the RNPP project, Bangladesh Atomic Energy Commission (BAEC) inked the deal with the Russian state-owned nuclear fuel firm TVEL Joint Stock Company at a ceremony at Sonargaon Hotel in the city.
- As per the agreement signed with TVEL, the Russian firm will supply fuel for the 'entire lifetime' of the 2,400 MW RNPP project. Addressing the signing ceremony, Science and Technology Minister Yeafesh Osman urged reporters not to report anything that may harm the project, reports UNB.
- According to the Inter-governmental Agreement (IGA) signed with the Moscow in November 2011, Dhaka is required to procure nuclear fuel from the Russian company for the entire life span of the power plant. Each unit of the power plant will have to reload one-third of the total nuclear fuel required after every 18 months and the first, second and third reloads will be provided by the Russian firm free of cost.
- Each reloading of nuclear fuel will cost \$62 mn, equivalent to BDT 50 bn. The Bangladesh government has engaged Russian nuclear energy firm Rosatom as contractor of the RNPP project at a cost of \$12.65 bn.
- Initially, it was projected by the contractor that the first unit of the RNPP will come into operation by 2022, while the second unit by 2024. But now the BAEC officials say the first unit will start operation in February 2023.

<http://thefinancialexpress.com.bd/national/dhaka-moscow-sign-nuclear-fuel-supply-deal-for-rnpp-1565100783>

International

China July services sector grows at slowest pace in 5 months

New Age, August 06, 2019

- China's services sector expanded at the slowest pace in five months in July despite a sharp upturn of new export orders, a private survey showed on Monday.
- The Caixin/Markit services purchasing managers' index (PMI) slipped to 51.6, the lowest reading since February, from June's 52.0. The 50-point mark divides growth from contraction, and the overall service index has shown expansion every month since it was started in 2005.
- In July, a sub-index for new export orders placed with Chinese services firms swung back to expansion at a three-month high of 54.0, compared with 49.5 in the previous month. Caixin/Markit said survey respondents commented that strong demand across international markets supported the latest upturn in new work from abroad.
- Overall new business remained largely stable, though the sub-index dipped slightly to 53.2 from 53.4 in June, suggesting a string of government support measures for the economy over the last year were propping up domestic demand.
- Employment in the sector increased at a slightly faster pace than in June. The employment index has shown expansion every month since September.
- Chinese service providers also registered a solid rise in cost burdens last month, due to higher prices for materials, staff and fuel, outpacing the prices charged, as a number of firms indicated competitive market conditions had dampened overall pricing power.

<http://www.newagebd.net/article/80814/china-july-services-sector-grows-at-slowest-pace-in-5-months>

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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

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 call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.