

Stock Market

Dhaka stocks surge on banks, NBFIs

New Age, November 07, 2019

- Dhaka stocks rose sharply on Wednesday, extending the gains for the second day, as investors continued with bargain hunting by turning their focus to bank and non-bank financial institution scrips.
- DSEX, the key index of the Dhaka Stock Exchange, advanced by 1.08 per cent, or 50.99 points, to close at 4,754.70 points on Wednesday after gaining 25.34 points in the previous day. The average share prices of most of the sectors rose on Wednesday but the hike in the prices of bank and NBFIs scrips with their large capital base helped the index surge.
- Investors turned their focus to bank and NBFIs scrips, some of which dipped near to their face value in the recent rout, market operators said. Besides, the Bangladesh Securities and Exchange Commission's decision taken on Tuesday to put a circuit-breaker on the share prices of companies at their debut encouraged some investors to invest in stocks.
- Investors had been demanding such cap as share prices of many of the companies skyrocketed by 200-400 per cent in their debut, making the market imbalanced and causing losses to investors at the secondary market.
- Turnover on the DSE rose to BDT 385.25 crore on Wednesday from BDT 307.76 crore in the previous day. Out of the 351 scrips traded on the day, 221 advanced, 81 declined and 49 remained unchanged. National Tubes, BRAC Bank, Genex Infosys, Lanka Bangla Finance, VFS Thread Dyeing, Square Pharmaceuticals, City Bank, Standard Ceramics, Pharma Aids and Sonar Bangla Insurance were the other turnover leaders.

<http://www.newagebd.net/article/89979/dhaka-stocks-surge-on-banks-nbfis>

Loan write-off policy to be eased again

The Daily Star, November 07, 2019

- The central bank is set to relax the loan write-off policy once again in a space of nine months, bowing down to pressures from an influential quarter. This time, banks are likely to be allowed to write off defaulted loans that have been hovering in the bad category for one year from their balance sheet, down from three years previously, said officials of the Bangladesh Bank.
- On February 6, banks were allowed to write off defaulted loans that were marked bad for three years in a row instead of earlier five years, as the central bank wanted to show lower amounts of sour loans. As of June, total defaulted loans in the banking sector stood at BDT 112,425 crore, up 20 percent from six months earlier, according to data from the BB.
- Banking sector insiders said the ABB was forced to send the proposal after getting instructions from influential sponsors of a handful of banks. Decreasing the term to one year from three years will help banks avoid the existing legal tangle while recovering the defaulted loans, said Rahman, also the managing director of Dhaka Bank.

- Introduced in January 2003 by the central bank with the view to putting the brakes on the rising default loans then, banks have written off BDT 54,463.76 crore since then. As of June, BDT 41,477.63 crore of the written off amount has remained outstanding, which is 76.15 percent of the sum.
- The central bank should follow the global best practice as the majority of the developed countries wait 3-4 years to write off their defaulted loans. Cleaning up defaulted loans from balance sheet through using the write-off policy is not a good practice as it will give a wrong picture of the financial sector, said Mansur, also the executive director of the Policy Research Institute.

<https://www.thedailystar.net/business/news/loan-write-policy-be-eased-again-1824250>

Unique Hotel and Resorts gets new CEO

The Daily Star, November 07, 2019

- Shakawath Hossain has recently been appointed chief executive officer of Unique Hotel and Resorts, the owning company of The Westin Dhaka, and facility management service provider Hansa Management.
- Hossain has over 18 years' experience in the hospitality and tourism industry. He was previously appointed as resident manager and acting general manager of The Westin Dhaka.
- Hossain holds an MBA degree in tourism and hospitality management from the University of Dhaka.

<https://www.thedailystar.net/business/news/unique-hotel-and-resorts-gets-new-ceo-1824220>

Economy and Industry

USAID study identifies BD's six promising sectors beyond RMG

The Financial Express, November 07, 2019

- The United States Agency for International Development (USAID) has identified six promising sectors which can play a vital role to further boost the economy of Bangladesh.
- USAID's Comprehensive Private Sector Assessment (PSA) identified agribusiness (food processing), health care, information and communications technology and outsourcing, light engineering, pharmaceuticals and tourism as the most promising sectors beyond the ready-made garments (RMG) sector for private sector engagement and investment.
- The PSA's findings support the Government of Bangladesh's economic diversification reforms initiative and help the private sector deepen its engagement with the government and other stakeholders in order to further promote Bangladesh's economic growth, the press release said.
- The PSA, conducted between October 2018 and July 2019, evaluated a total of 16 emerging sectors of Bangladesh, including ceramics, entrepreneurship, leather and leather goods, medical equipment, plastic, renewable energy and energy efficiency, shipbuilding, shrimp and fish, telecommunications, and vehicle assembly.

<https://thefinancialexpress.com.bd/economy/bangladesh/usaaid-study-identifies-bds-six-promising-sectors-beyond-rmg-1572965585>

International

Boeing to invest \$1 bn in global safety drive

New Age, November 07, 2019

- Boeing Co is planning an initial investment of around \$1 bn (£776 mn) into industry-wide pilot development as part of a long-term initiative to reduce risks like those faced by the crew in two 737 MAX crashes, people familiar with the matter said.
- The embattled planemaker is trying to rebuild trust and cooperation with airlines, passengers and regulators around the world after the 737 MAX was grounded in March, following crashes in which a total of 346 people died.
- Details of the company's 'Global Aviation Safety' initiative remain under wraps due to delays in returning the 737 MAX to service, as attention focuses on changes to cockpit software that investigators say played a major part in the two crashes.
- Boeing will launch the pilot development project after regulators approve changes to 737 MAX software and training and the plane resumes flights, one of the people familiar with the matter said. The company currently expects that to happen in the United States by year-end.
- The plane is likely to return to service in Europe during the first quarter of 2020, the head of the European Union Aviation Safety Agency (EASA) said earlier this week.

<http://www.newagebd.net/article/89982/boeing-to-invest-1-bn-in-global-safety-drive>

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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 (2nd 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.