

Stock Market

Dhaka stocks gain on bargain hunting after five-day fall

New Age, November 08, 2018

- Dhaka stocks advanced on Wednesday after a five-day fall as a section of investors went for bargain hunting. DSEX, the key index of Dhaka Stock Exchange, gained 0.72 %, or 37.85 points, to close at 5,242.21 points on Wednesday after losing 95 points in the previous five sessions.
- The DSEX began to rise from the very beginning of the day and climbed more firmly as the session progressed as a section of investors went for bargain hunting amid optimism over the political dialogues. DSE received BDT 947 crore from a Chinese consortium by selling its 45,09,44,125 shares at BDT 21 each. DSE began disseminating the sales proceeds to its members from October 29.
- The market has been in a downward trend in recent days due mainly to the concerns over political uncertainty amid rising political activities including meetings, rallies, dialogues and political fracas surrounding the national polls. The average share prices of almost all the sectors increased on Wednesday.
- The share prices of textile, bank, pharmaceuticals and telecommunication advanced by 2.85 %, 0.65 %, 0.59 % and 0.57 % respectively. The turnover on DSE increased to BDT 484.48 crore on Wednesday compared with that of BDT 440.03 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Wednesday, 206 advanced, 80 declined and 49 remained unchanged. DS30, the blue-chip index of DSE, also added 0.58 %, or 10.78 points, to close at 1,853.72 points. Shariah index DSES increased by 0.59 %, or 7.09 points, to finish at 1207.52 points.
- SK Trims Industries led the turnover chart with its shares worth BDT 20.75 crore changing hands. Saiham Cotton, VFS Thread Dyeing, BBS Cables, Intraco Refueling Station, Summit Power, Peninsula Chittagong, Intech Limited, Shasha Denims and Monno Ceramics were the other turnover leaders. ML Dyeing gained the most on the day with a 9.97-% increase in its share prices, while Peoples Leasing and Financial Services was the worst loser, shedding 7.27 %.

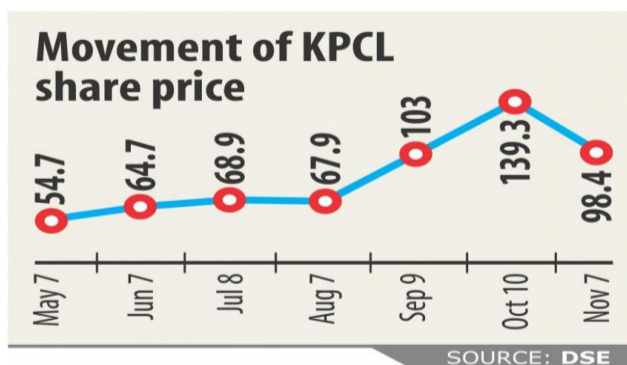
<http://www.newagebd.net/article/55363/dhaka-stocks-gain-on-bargain-hunting-after-five-day-fall>

KPCL's trading suspended

Explanation sought why the power producer's sponsor went for huge sell-off

The Daily Star, November 08, 2018

- The prime bourse yesterday suspended the trading of Khulna Power Company Ltd (KPCL) just three days after a corporate sponsor of the electricity producer announced to go for selling off 1.80 crore shares. The Dhaka Stock Exchange believes such a huge sell-off through the regular market may affect the general investors, said a director of the DSE preferring anonymity.
- On last Sunday, Summit Corporation disseminated a new through DSE website that it would sell 28.34 % of its total holding of 6.37 crore shares of KPCL at the prevailing market price in the next 30 workdays.



- The sponsor should explain why it wants to sell off the shares so that investors do not get panicked, another director of the DSE said. According to the listing regulations, the suspension shall remain in force for a period of 30 days and the exchange may extend for further periods not exceeding 15 days at any time.
- However, there was no ban on KPCL in the Chittagong Stock Exchange. The stock of the power producer rose 1.74 % from the previous day to BDT 99.20 in the CSE yesterday. The benchmark index of the Dhaka stocks—DSEX—rose 37.85 points, or 0.72 %, to close the day at 5,242.21. Turnover, another important indicator of the DSE, rose 10.11 % to BDT 484.48 crore.
- SK Trims was the top traded stock with 48.51 lakh shares worth BDT 20.75 crore changing hands, followed by Saiham Cotton, VFS Thread Dyeing, BBS Cables and Intraco Refueling. ML Dyeing was the day's best performer with a 9.97 % gain while Peoples Leasing was the biggest loser, shedding 7.27 %. Gainers outnumbered losers by 206 to 80, while 49 securities remained unchanged.

DSEX at lowest level in nearly 23 months

The Financial Express, November 07, 2018

- Stocks slid for the fifth consecutive session on Tuesday with the core index of the Dhaka Stock Exchange (DSE) falling to a nearly 23-month low. The DSEX, the prime index of the DSE, fell by 20.58 points or 0.39 % to settle at 5,204, its lowest level since January 08 last year.
- The DSEX had shed more than 1,040 points or 17 % since January 1, 2018 and the market capitalisation declined by BDT 440 bn during the period under review.



- Market insiders said investors continued their selling spree as lower-than-expected earnings disclosures made by a number of companies dented investors' confidence. A bearish sentiment was also reflected in the trading activities as the turnover on the DSE came down to BDT 4.40 bn, lower by 18 % than the previous session's BDT 5.38 bn.
- Of the 339 issues traded on the DSE trading floor, 214 closed lower, 79 went up and 46 issues remained unchanged. The persisting pessimism, coupled with the disappointing quarterly earnings results, particularly of banks and non-bank financial institutions, in the third quarter dented the investors' confidence, said a leading broker.
- Earnings of 18 listed banks, out of 30, recorded decline during the January-September period of the current calendar year compared to that of the corresponding period of last year. The earnings of most of the non-bank financial institutions (NBFIs) fell in the nine months to September last compared to that of the corresponding period of last year. The consolidated earnings per share (EPS) of 17 NBFIs out of 23 declined during the period.

<http://thefinancialexpress.com.bd/stock/dsex-at-lowest-level-in-nearly-23-months-1541565935>

ICB to resume supportive operations from today

The Financial Express, November 07, 2018

- The state-run Investment Corporation of Bangladesh (ICB) will resume much-talked investment in the capital market from today (Wednesday) as part of the corporation's market supportive measure. The ICB officials said the proposed fund, which was supposed to be raised through bond, is being credited to them on completion of relevant process.

- On July 17, the Bangladesh Securities and Exchange Commission (BSEC) approved the ICB's proposal of raising fund amounting to BDT 20 bn through issuing non-convertible fixed rate subordinate bond. As per the BSEC's condition set under Section 2CC of Securities and Exchange Ordinance, 1969, the state-run corporation will invest at least BDT 15.0 bn afresh in listed securities to boost the country's capital market.
- The BSEC and ICB officials expressed optimism that the capital market would get a good shape following ICB's investment of the said fund in listed securities.

<http://thefinancialexpress.com.bd/stock/bangladesh/icb-to-resume-supportive-operations-from-today-1541565541>

Earnings of listed NBFIs sink

The Daily Star, November 08, 2018

- Almost 64 % of the listed non-bank financial institutions (NBFI) witnessed huge drops in their earnings in the first nine months of the year due to interest rate cutbacks, huge provisioning against default loans and losses from capital market.
- Some 14 of the 22 NBFIs saw their earnings per share (EPS) plummet between the months of January and September. The heavyweight Investment Corporation of Bangladesh is yet to report its earnings for the quarter. EPS informs how much money shareholders would receive for each share of stock they own if the company distributes all of its net income for the period.
- BD Finance, FAS Finance, GSP Finance, IDLC, Islamic Finance, LankaBangla, Midas, National Housing, Phoenix and Premier Leasing saw their EPS decline during the quarter, according to data from the Dhaka Stock Exchange. Peoples Leasing and Bay Leasing incurred losses, contrary to being in the black a year earlier. First Finance and BIFC fell more in losses in this quarter.
- According to the central bank data, the credit growth stood at 14.67 % in September, the lowest since December 2015, when the growth was 14.19 %. Most of the NBFIs have exposure in the capital market, so the index's downward trend affected their profitability, according to Khan.
- DSEX, the prime index of the DSE, declined 886 points, or 16.50 %, in the first nine months of the year, according to data from the DSE. In contrast, a year earlier the index soared 1,009 points or 19.85 %. Both public and private banks decided on July 1 to lower the lending rate to single digit and the deposit rate to 6 %.

	JAN-SEP 2018	JAN-SEP 2017
Bay Leasing	-0.21	0.95
PLFSL	-0.69	0.42
First Finance	-3.16	-1.19
BIFC	-5.53	-5.45
Fareast	-1.30	-5.10
Prime	-1.70	-3.36

<https://www.thedailystar.net/business/news/earnings-listed-nbfis-sink-1657690>

Economy

Govt to take \$1.3b foreign loans for fertiliser factory

The Financial Express, November 08, 2018

- The government approved on Wednesday US\$800 mn hard-loan from Islamic Development Bank (IDB) to help Bangladesh Petroleum Corporation (BPC) finance oil import, officials said. It also endorsed \$1.3 bn worth of hard loans from four foreign banks and institutions to finance setting up of a urea fertiliser factory at Palash in Narshingdi.
- Meeting sources told the FE that the Economic Relations Division (ERD) placed the IDB's \$1.0 bn loan proposal before the standing committee. The interest rate for the six-month period \$1.0 bn ITFC loan will be 4.5 % (mark-up), 0.7 %age points higher than the last loan from the same lender.
- Of the \$1.3 bn loan for the fertiliser factory, Japanese bank JBIC will provide \$600 mn, World Bank's MIGA \$300 mn and HSBC & BTMU \$400 mn.

<http://thefinancialexpress.com.bd/trade/govt-to-take-13b-foreign-loans-for-fertiliser-factory-1541650225>

NPL bulge blamed on too many banks

Bankers tell BIBM conference

The Financial Express, November 08, 2018

- The presence of too many banks and the resultant competition are some of the main reasons for the rising amount of non-performing loan in the country, experts have said. They also said that state-owned banks are lagging behind their private counterparts when it comes to efficiency
- The views came on Wednesday during the first day of the annual banking conference organised by Bangladesh Institute of Bank Management (BIBM) in the city.
- The comments come at a time when the amount of troubled loans keeps swelling in the country despite growing concerns over its negative impact on the economy. The total amount of NPL swelled to BDT. 893.40 bn (89,340 crore) in June 2018, the central bank figures show. The actual volume is even higher when rescheduled and written-off amounts are taken into account.
- The NPL volume now accounts for 10.41 % of the total loans given by the banking sector, up from 9.31 % in December last year. Eight state-owned banks together comprise BDT. 389.75 bn of this amount while 40 private commercial banks have a total share of BDT. 480.93 bn, the BB data showed.
- Reflecting on this, the ABB chairman blamed it on the unusually high number of banks and the unhealthy competition among them. Apart from unhealthy competition, experts at the event blamed the improper loan approval process, incomplete documentation, aggressive banking and political pressure as major reasons for the increase in nonperforming loans. To address the situation, experts cited the examples of China and Malaysia, which have been able to reduce their ratio of nonperforming loan drastically.

<http://thefinancialexpress.com.bd/trade/npl-bulge-blamed-on-too-many-banks-1541649380>

International

Industrial production shows timid gain in Germany

The Daily Star, November 08, 2018

- German industrial production showed a slight gain in September following August's small recovery, official data showed Wednesday. Industrial production rose 0.2 % in September, the federal statistics office Destatis said in a statement, slightly bettering analysts' prediction of a gain of 0.15 %.
- Destatis also revised upwards its data for August, to show a small growth of 0.1 % instead of a slight decline earlier forecasted. The fragile recovery came at a moment of high international trade tensions due to US President Donald Trump's multiple commerce battles including with export giant China. The positive data also came on the back of rising demand for German industrial goods.

<https://www.thedailystar.net/business/global-business/news/industrial-production-shows-timid-gain-germany-1657549>

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