

## Stock Market

### Stocks soar on political calm

#### DSE posts highest single-day gain in 9 months

The Daily Star, January 09, 2019

- The country's premier bourse yesterday posted its highest single-day point rise in nine months, led by gains across almost all the sectors as investors remained bullish. The benchmark index of Dhaka Stock Exchange, DSEX, rose 115.58 points, or 2.04 %, to 5,770.77, notching the highest single-day increase since April 1, when it soared 149.70 points.
- The DSEX is on track for an upward momentum buoyed by the largely peaceful recent national elections and the appointment of AHM Mustafa Kamal as the new finance minister, according to market insiders. Insiders say Kamal's positive understanding about the stockmarket is expected to heal a rift between the finance ministry, the central bank, and the stockmarket. There are also expectations that the central bank may come up with measures to ease policies so that financial institutions can invest more.
- Market insiders say confidence has returned to institutional and foreign investors and they are pouring money in lucrative stocks, taking turnover past BDT 1,000 crore. Yesterday, turnover on the DSE rose 4.60 % to BDT 1,010 crore.
- The DSE mentioned on its website that it had asked five companies to inform whether there were any undisclosed price sensitive information that might have played a part behind the recent unusual price hike. The management of the companies replied that there was no such information.
- Rupali Bank was the top gainer adding 9.89 %, while Delta Spinners was the worst loser shedding 9.88 %. Brac Bank dominated the turnover chart with 29.63 lakh shares worth BDT 23 crore changing hands, followed by JMI Syringes, Beximco, Alif Manufacturing and Olympic Industries. Chittagong stocks also rose with the bourse's benchmark index, CSCX, advancing 247.46 points, or 2.36 %, to finish at 10,689.92.
- Gainers beat losers as 188 securities advanced and 72 declined while 20 finished unchanged on Chittagong Stock Exchange. The port city bourse traded 2.35 crore shares and mutual fund units worth BDT 33.69 crore.



<https://www.thedailystar.net/business/news/stocks-soar-political-calm-1685026>

### WRITTEN-OFF LOANS

#### Recovery slow for feeble efforts

The Daily Star, January 09, 2019

- Banks have been able to recover less than a fourth of their written off loans in the last 15 years because of half-hearted effort on their part. Introduced in January 2003 with a view to putting the brakes on rising default loans, the Bangladesh Bank's write-off policy has allowed banks to clean up their balance sheets artificially.



- But the initiative failed to bring any good for banks due to their lacklustre efforts to recover non-performing loans from defaulters, said Salehuddin Ahmed, a former BB governor. Between January 2003 and September 2018, banks wrote off BDT 49,745 crore. As of September, BDT 37,866 crore, which is 76 % of the sum, remained outstanding, according to data from the central bank.
- Default and written-off loans together stood at BDT 137,236 crore as of September. Banks' total written-off loans rose 5.23 % year-on-year to BDT 37,866 crore at the end of September. Of the sum, state banks have written off BDT 18,111 crore and private banks BDT 18,468 crore.

<https://www.thedailystar.net/business/news/recovery-slow-feeble-efforts-1685032>

## **Pvt Insurance staffers to be public servants!**

The Financial Express, January 09, 2019

- A move is well under way to make private insurance employees' as "public servants" with intent to bring them under a legal framework. The people working at the Financial Institutions Division under the Ministry of Finance are examining the issue.
- The move came as the national anti-graft watchdog wants to bring the employees working with key financial institutions under a legal framework. Earlier, the Anti-Corruption Commission (ACC) recommended that the cabinet division put the new provision in the Insurance Act 2010. The Banking Companies Act 1991 has also similar provisions.
- Section 110 of the Act says "chairmen, directors, auditors, liquidators, managers and other officers and employees of a banking company shall be deemed public servants in the sense this term is used in section 21 of the Penal Code 1860 (Act XLV of 1860)."
- According to the penal code, public servants are defined to bring them under law so that any misdeed by them can be punished by the proper authorities. The last inter-ministerial meeting held on November 26 encountered a mixed reaction to the issue. Some attendees wanted that the insurance people be deemed as public servants, but many were not in favour of the proposed provision.
- Bibekananda Saha, general manager at Sadharan Bima Corporation, said such a definition is not required as India and Sri Lanka have no such system. The insurance authorities have adequate power to punish those found guilty, he maintained.

<http://thefinancialexpress.com.bd/trade/pvt-insurance-staffers-to-be-public-servants-1547005392>

## **3 pharma cos to get AEO licences this month**

New Age, January 09, 2019

- National Board of Revenue is set to issue authorised economic operators' licence to three local pharmaceutical companies recognising them as trusted traders in import-export procedures. The three companies are Square Pharmaceuticals Ltd, Beximco Pharmaceuticals Ltd and Incepta Pharmaceuticals Ltd which will enjoy a set of benefits including quick release of import-export consignments from ports without physical examination by customs authorities.
- AEO scheme will initially be run on a pilot basis for six months and then will become fully operational based on experiences. NBR has introduced the system to facilitate international trade and ease of doing business by trusted traders. Customs Valuation and Internal Audit Commissionerate of NBR has already completed all procedures including evaluation of qualifications and preparedness of the companies to issue the licences.

- According to the AEO Authorisation Rules-2018, AEO licence holders will be able to take imported goods directly to their warehouses or factory premises from port without any intervention including physical inspection of customs officials.
- Customs officials, however, will be able to conduct physical inspection of imported goods on the premises of businesses. They will also avail benefits that include completion of customs valuation procedures including submission of bill of entry and bill of export before arrival of ships at port, completion of valuation procedures with submission of important documents and prompt service from special team of customs.
- The commissioner will terminate the AEO certificate of any operator if it finds false declaration in import-export, tax and duty evasion and deviation from the criteria. According to the rules, a business entity will have to fulfil a set of criteria for gaining AEO or trusted traders status. Businesses including importers, exporters and other stakeholders running activities continuously for five years in the country with satisfactory compliance record on customs, VAT and income tax laws will get the status.

<http://www.newagebd.net/article/61213/3-pharma-cos-to-get-aeo-licences-this-month>

## Two new insurers may get licences

The Daily Star, January 09, 2019

- The government is set to hand out licences for new insurance companies although many newer insurers are yet to find a foothold in the industry despite five years of operation. The Insurance Development and Regulatory Authority (IDRA) gave the no-objection certificate to NRB Islamic Life Insurance to register with the Registrar of Joint Stock Companies.
- The NOC, which was given on January 3, is the green light to the sponsor to go ahead and apply for a full licence. As the prime regulator, the IDRA is supposed to take the decision as per laws, but the consent for a new company was given following the instruction of the finance ministry.
- At the time, the government gave licences to 16 insurers, but NRB Islamic Life Insurance failed to make the cut. Another company, Beach Land Life Insurance, is also in the process of getting licence. The development comes at a time when the financial health of most of the new insurance companies is worsening because of a failure to hook business in the heavily competitive market. Currently, 78 insurance companies are operating in the market.
- For instance, in the first quarter of 2018, 12 insurers were found to have spent more than the authorised limit for business management. Of them, nine were new generation companies, according to an IDRA report. The new companies are also supposed to be listed on the stock market within three years of operations but none have done so on account of their poor financial health.
- The insurance regulator too is struggling: it has less than 100 employees to regulate the huge number of companies. Set up in 2011, the regulator has not been able to recruit adequate workforce because of red-tape. Similarly, the whole insurance industry is facing a lack of efficient workforce. Many insurance companies have empty posts at the top level, said insurance insiders.

<https://www.thedailystar.net/business/news/two-new-insurers-may-get-licences-1685011>

## Economy

### Govt to sign deal with WB to create quality jobs

The Financial Express, January 09, 2019

- The World Bank will provide \$250 mn to support Bangladesh in strengthening its capacity to create more and better jobs for citizens, including women, youth and the vulnerable population. An official at the Economic Relations Division (ERD) said a financing agreement in this regard will be signed on Wednesday, reports BSS.
- Finance Minister AHM Mustafa Kamal will be present on the occasion as the chief guest. According to the ERD and the World Bank, the Programmatic Jobs Development Policy Credit aims at supporting Bangladesh develop a stronger policy and institutional framework and strengthen its capacity to create more, better-paid and quality jobs in a rapidly changing environment.
- Despite Bangladesh's robust economic growth, the pace of job creation has slowed a bit in recent years. The growth rate for jobs slowed down to 1.8 % in 2010-16 from 2.7 % in 2003-10. Women workers in lagging regions, and youth in particular face challenges in accessing quality jobs.
- Climate change has exacerbated this job challenges, underscoring the need to significantly increase employment in the non-agriculture sector. To promote large-scale employment in diverse manufacturing sectors, the reform programme will help improve the investment environment, lift barriers to doing business, and modernise customs and trade facilitation. The programme will also help implement amendments to the labour law and reform the pensions programme to ensure that works are protected.
- The programme also aims to increase female labour force participation by increasing availability of childcare for working mothers and targeting women and youth with training and employment services. The Jobs Development Policy Credit is the first in a series of three operations that complements the World Bank portfolio in the country. The credit from the World Bank's International Development Association (IDA) has a 30-year term, including a five-year grace period.
- The World Bank was among the first development partners to support Bangladesh following its independence. The World Bank has since committed more than \$30 bn in grants and interest-free credits to the country. Bangladesh currently has the largest IDA programme totalling \$12.2 bn.

<http://thefinancialexpress.com.bd/economy/bangladesh/govt-to-sign-deal-with-wb-to-create-quality-jobs-1546946050>

### Data consumption rises by 34pc in Jul-Nov

New Age, January 09, 2019

- Data consumption in the country increased by 34 % in the July-November period of the current fiscal year (2018-19) due to growing use of internet for individual and business purposes. Besides, flourishing of local contents and online-centric services also helped attract more internet users and bandwidth usage accordingly, said market experts.
- According to Bangladesh Telecommunication Regulatory Commission data, international internet bandwidth consumption increased by 228 gigabits per second to 900Gbps at the end of November, 2018 from 672Gbps in June. Bandwidth consumption by the country's internet users was 411Gbps in June, 2017. In June, 2016, country's total international bandwidth consumption was 265Gbps while it was 186Gbps in December, 2016 and only 8Gbps in 2009.
- As per the BTRC's latest data, people used 9.18 crore connections through mobile and broadband internet as of November, 2018. Of the connections, 93.68 % or 8.6 crore were given by the mobile phone operators and the rest 6.32 % or 57.78 lakh were given by the broadband internet service providers.

- The number of internet users in the country was 7.33 crore at the end of June, 2017. Although the mobile operators have the maximum number of internet connections, they are using around 35 % bandwidth of the country's total consumption, said a senior official of Internet Service Provider Association Bangladesh.
- International terrestrial cable (ITC) service providers, which provide bandwidth to the mobile and broadband internet service providers, have capacity to provide 960Gbps of bandwidth against the total demand for around 900Gbps in the country, an official of an ITC service provider said.
- Of the total data usage in Bangladesh, state-owned Bangladesh Submarine Cable Company Limited provides 65 % bandwidth, Summit Communications provides 18 % and Fiber @ Home Global provides 15 % bandwidth to the internet users. Besides the entities, Novocom, Mango Teleservices, BD Link Communication and 1Asia Alliance Communication meet the rest 2 % demand.

<http://www.newagebd.net/article/61215/data-consumption-rises-by-34pc-in-jul-nov>

## International

### China has 'good faith' to fix trade issues as talks with US resume

New Age, January 08, 2019

- China has the 'good faith' to work with the United States to resolve trade frictions, the Foreign Ministry said on Monday, as the world's two largest economies resumed talks in a bid to end their trade dispute.
- US officials are meeting their counterparts in Beijing this week for the first face-to-face talks since US president Donald Trump and China's president Xi Jinping agreed in December to a 90-day truce in a trade war that has roiled global markets.
- Trump said on Sunday that trade talks with China were going very well and that weakness in the Chinese economy gave Beijing a reason to work toward a deal.
- The two sides agreed to hold 'positive and constructive' dialogue to resolve economic and trade disputes in accordance with the consensus reached by the countries' leaders, Foreign Ministry spokesman Lu Kang told reporters at a regular news briefing.

<http://www.newagebd.net/article/61139/china-has-good-faith-to-fix-trade-issues-as-talks-with-us-resume>

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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
Mr. Monir Hossain Research Associate	monir@basl-bd.com

## BASL Networks

<b>Head Office</b> Hadi Mansion (7th Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 Fax: +88-02-9567884	<b>Modhumita Extension Office</b> 158-160 Modhumita Building (5th Floor) Motijheel C/A, Dhaka-1000 Phone: +88-01819118893	<b>Dhanmondi Branch</b> Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-8624874-5	<b>Mirpur Branch</b> Nishi Plaza, plot # 01, Avenue-04, Section-06, Block-C Mirpur, Dhaka - 1216 Phone: +88-02-9013841
<b>Uttara Branch</b> House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka- 1230 Phone: +88-02-8958371	<b>Banani Branch</b> Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +8801716180767	<b>Khulna Branch</b> 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](mailto:research@basl-bd.com).