

Stock Market

Stocks drop for 3rd day

New Age, May 09, 2019

- Dhaka stocks dropped for the third day on Wednesday as investors continued selling shares in cautious trading amid fresh reports on liquidity shortage in the financial sector and fall in foreign investment in stocks.
- DSEX, the core index of Dhaka Stock Exchange, lost 0.33 %, or 17.61 points, to close at 5,272.38 points on Wednesday. With Wednesday's figure, the index lost 121 points in last three trading sessions.
- Before the three-day fall, the index had gained 219 points in three trading sessions as investors had become optimistic about the market following a number of moves taken by the government and the Bangladesh Securities and Exchange Commission to salvage the market after a 13-week bear run.
- The average share prices of life insurance sector dropped by 1.2 %, general insurance by 0.8 %, textile by 0.6 % and pharmaceutical by 0.5 %. The share prices of bank, non-bank financial institution and telecommunication advanced by 0.2 %, 0.11 % and 0.1 % respectively.
- Out of the 345 issues traded on Wednesday, 206 declined, 85 advanced and 52 remained unchanged. Turnover on the bourse declined further to BDT 331.78 crore from BDT 433.50 crore in the previous session.
- DSE blue-chip index DS30 dropped by 0.20 %, or 3.77 points, to close at 1,858.04 points. Shariah index DSES lost 0.36 %, or 4.49 points, to finish at 1,217.98 points. Fortune Shoes led the chart of turnover leaders with its shares worth BDT 31.72 crore changing hands on the day.
- Monno Ceramic Industries, Esquire Knit Composite, Indo-Bangla Pharmaceuticals, Powergrid, Bangladesh Shipping Corporation, Generation Next, National Bank, SS Steel and Legacy Footwear were the other turnover leaders.

<http://www.newagebd.net/article/71821/stocks-drop-for-3rd-day>

Share lock-in rules tightened

New Age, May 09, 2019

- Bangladesh Securities and Exchange Commission on Wednesday said that the share lock-in period must start from the first trading day of a company's shares on the stock exchange instead of the date of issuance of its initial public offering prospectus.
- The commission on the day also formed two committees to finalise rules for IPO process (fixed price and book building method), placement shares, issuance of bonus shares after listing and necessary amendments to the mandatory shareholdings by directors (2 % individually and 30 % jointly).
- The committee will also suggest necessary amendments to the BSEC public issue rules, 2015 in accordance with the commission's previous decisions on IPO size, quota, eligible investors and lock-in period. The committee has been asked to submit its proposals within two weeks.

<http://www.newagebd.net/article/71818/share-lock-in-rules-tightened>

Net foreign investment in DSE dips in April

The Financial Express, May 08, 2019

- Net foreign investment in the Dhaka Stock Exchange (DSE) remained negative for the two straight months in April as overseas investors continued their selling binge.
- Foreign investors collected shares worth BDT 2.57 bn but sold BDT 4.11 bn worth of shares last month, resulting in their net position of a negative BDT 1.54 bn, according to statistics available with the DSE.
- In March, the overseas investors' net position was also negative BDT 1.23 bn, as they purchased shares worth BDT 3.75 bn and sold shares worth BDT 4.98 bn, the DSE data shows. Stock indices also took a big hit in April. DSEX, the benchmark index of the premier bourse, fell 289 points or 5.26 % during the month to settle at 5,202.
- In 2018, net foreign funds in stocks were in the negative BDT 5.93 bn as nine months out of 12 were in the negative territory. The overseas investors bought shares worth BDT 44.96 bn and sold shares worth BDT 50.89 bn in 2018. Banks and financial institutions shares were the top choice of foreign investors, who also seemed interested in power and energy, telecom, pharmaceuticals, multinational companies and IT companies.
- Delta Brac Housing Finance has the highest foreign investors' stake with - 42.86 %, followed by Brac Bank 42.70 % and Olympic Industries 39.84 % as of March 31, 2019, the DSE data shows.

Portfolio transactions on DSE in 2019

Month	Buy shares	Sell shares	Net position
Jan, 2019	Tk 6.11 b	Tk 4.25 b	Tk 1.86 b
Feb, 2019	Tk 4.35 b	Tk 1.97 b	Tk 2.38 b
Mar, 2019	Tk 3.75 b	Tk 4.98 b	Tk (1.23 b)
April, 2019	Tk 2.57 b	Tk 4.11 b	Tk (1.54 b)

Source: DSE

<http://thefinancialexpress.com.bd/stock/net-foreign-investment-in-dse-dips-in-april-1557291155>

Musa elected chair, Zoynal vice-chair of Central Ins Co

New Age, May 09, 2019

- Mohammed Musa and Zoynal Abedin Chowdhury were elected chairman and vice-chairman of Central Insurance Company respectively for two years, said a press release. Musa is the managing director of Madina Garments, executive director of Silkway Fashion and a director of BGMEA, the release also said.
- Musa obtained his BCom and MCom degree from National University. Zoynal is the chief executive officer of ASM Chemical Industries and also a director of RH Corporation, Shaheeda Trading and Aziz Group, said the release. Zoynal obtained his MBA from USA.

<http://www.newagebd.net/article/71745/musa-elected-chair-zoynal-vice-chair-of-central-ins-co>

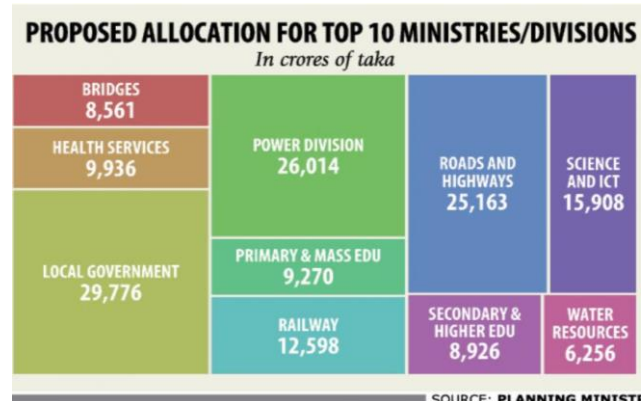
Economy

New ADP to be 21pc bigger

Foreign aid utilisation to get priority

The Daily Star, May 09, 2019

- The government is set to fix the size of the development budget at BDT 202,721 crore for 2019-20, up 21.39 % from the current fiscal year, as it looks to mobilise a higher amount of foreign aid piled up in the pipeline.
- As of November last year, the amount of foreign aid in the pipeline stood at \$48.75 bn. In the next fiscal year, foreign aid utilisation will get a big boost: it has been fixed at BDT 71,800 crore, which is 40.78 % higher than the current year's.
- Conversely, the government's own fund allocation has not increased much: it has been set at BDT 130,921 crore, up 12.86 % year-on-year. The reason the government's own fund allocation has not scaled up much is because revenue collection was dismal.
- In the first eight months of the fiscal year, it grew 7.02 %, according to data from the National Board of Revenue. A year earlier it had increased 14.13 %. As a result, the government is being conservative in allocation of its own fund for the ADP next fiscal year.



<https://www.thedailystar.net/business/news/new-adp-be-21pc-bigger-1740955>

BB relaxes rules to facilitate FDI

Foreigners now allowed to open temporary NRTA

The Financial Express, May 08, 2019

- The central bank has relaxed regulation allowing foreigners to open temporary non-resident Taka account (NRTA) with any scheduled bank along with authorised dealer (AD) bank branches to facilitate foreign direct investment (FDI) in Bangladesh.
- Under the relaxation, interested foreign investors are now allowed to deposit their funds in the name of proposed companies through opening temporary NRTA with both scheduled and AD bank branches. Earlier the foreign investors are eligible to open such NRTA with only AD bank branches of Bangladesh.
- Currently, 59 scheduled banks are running their businesses with more than 10, 000 branches across the country while the number of AD bank branches are over 1000. Under the existing foreign exchange transaction regulations, non-resident investors are now eligible to make direct and portfolio investment in Bangladesh.
- Besides, foreign investors including Non-Resident Bangladeshis (NRBs) are now allowed to invest their hard earned currencies in the country's capital market using Non-Resident Investors Taka Account (NITA), according to the central banker.

- The gross inflow of FDI jumped by more than 44 % to \$2.66 bn during the July-February period of the current fiscal year (FY) 2018-19 from \$1.85 bn in the same period of the FY 18, the official data showed.

<http://thefinancialexpress.com.bd/trade/bb-relaxes-rules-to-facilitate-fdi-1557372778>

International

SoftBank Corp to spend \$4b to up Yahoo Japan stake, sees profit rising 24pc

The Daily Star, May 09, 2019

- Japanese telco SoftBank Corp said on Wednesday it would spend \$4 bn to up its stake in Yahoo Japan Corp and turn the internet company into a subsidiary, a move that would help boost its profit by 24 % this year.
- The telco said it would buy 456.5 bn yen (\$4.2 bn) worth of new shares to be issued by Yahoo Japan, increasing SoftBank Corp's stake to 45 % from 12 %. With that addition, SoftBank Corp, which listed in December in Japan's largest-ever initial public offering, forecast its operating profit would rise to 890 bn yen in the current financial year through March 2020.
- SoftBank Corp will buy the shares at 302 yen each, or a 2.3 % discount to Wednesday's closing price. Separately on Wednesday, SoftBank Corp's parent SoftBank Group Corp said it would sell its 36 % stake in Yahoo Japan back to the internet company.
- The deal will strengthen cooperation between SoftBank Corp, Japan's third-largest telco, and Yahoo Japan, an internet heavyweight in areas such as news and shopping. The closer relationship will help drive growth at shared ventures such as QR code payment app PayPay, SoftBank Corp Chief Executive Ken Miyauchi said at a news conference.

<https://www.thedailystar.net/business/global-business/news/softbank-corp-spend-4b-yahoo-japan-stake-sees-profit-rising-24pc-1740928>

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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 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.