

Stock Market

Dhaka stocks snap 5-week gain on portfolio rebalancing

New Age, September 09, 2018

- Dhaka stocks in the past week ended a five-week gaining streak because of investors' rebalancing of their portfolios and profit taking share sales. DSEX, the key index of Dhaka Stock Exchange, dropped 0.47%, or 26.39 points, over the week to finish at 5,574.25 points on Thursday, the last trading session of the week. DSEX had gained 296 points in the previous five weeks.
- Share trading on DSE was shortened to four sessions in the past week due to a public holiday on September 3 on the occasion of Janmashtami. DSEX was in the negative territory in the first two sessions of the week as investors went on profit taking share sales after the recent rise of the prices. The key index returned to the positive note amid the completion of purchase of 25% of DSE stakes by a Chinese consortium of Shanghai and Shenzhen stock exchanges.
- Overall, DSEX ended in negative territory in the week as many of the investors' rebalanced their portfolios by purchasing power sector scrips and selling bank, non-bank financial institution and textile sector scrips, said market operators.
- The daily average turnover on the bourse increased by 30.74% to BDT 763.46 crore in last week from BDT 583.94 crore in the previous week. Out of the 339 traded issues, 216 declined, 108 advanced and 19 issues remained unchanged.
- BBS Cables, Confidence Cement, Aman Feed, The Peninsula Chittagong, United Power Generation & Distribution Company, Active Fine Chemicals, Nahee Aluminum, Unique Hotel and Resort and Summit Power were the other turnover leaders.

<http://www.newagebd.net/article/50161/dhaka-stocks-snap-5-week-gain-on-portfolio-rebalancing>

Ministry may ask NBR to cut it to 5pc on condition

New Age, September 09, 2018

- The finance ministry may ask the National Board of Revenue to cut capital gains tax imposed on bourse shareholders to 5% from the existing 15% on condition that the shareholders invest their net sales proceeds in the capital market for three years' duration, ministry sources said.
- The ministry may also propose that the NBR cut tax on share transaction to 0.04% from the existing 0.05% and provide full tax waiver to the exchanges for last two financial years, they said. The finance ministry, following receiving a set of proposals put forward by the Bangladesh Securities and Exchange Commission and getting consent from finance minister AMA Muhith to the pleas, drafted a set of proposals in this regard on September 4, they said.
- BSEC chairman M Khairul Hossain on August 6 requested the finance minister to consider a number of proposals put forward by the commission for the interest of the country's two stock exchanges — Dhaka Stock Exchange and Chittagong Stock Exchange — and the capital market.
- After analysing the proposals, the ministry decided that tax on the bourses' shareholders' capital gains from sales of blocked shares should be 5% from the current 15% on condition that the shareholders invest the net sales proceeds in the capital market for three years' duration, the sources said.
- Under the DSE demutualisation scheme, 40% shares of the DSE were credited to the DSE members' accounts, while the remaining 60% were kept in a blocked account.

<http://www.newagebd.net/article/50084/ministry-may-ask-nbr-to-cut-it-to-5pc-on-condition>

BSEC gets three options to seal fate of closed-end MFs

The Financial Express, September 09, 2018

- A high-level meeting has proposed three options for Bangladesh Securities and Exchange Commission (BSEC) to settle the fate of closed-end mutual funds (MFs) as their respective tenures will expire in the near future. The securities regulator has been suggested to pick any one of the recommendations for settling the issue, said an official, who attended the meeting at the Ministry of Finance on Thursday last.
- The options suggested at the meeting were liquidation of closed-end MFs as per rules, conversion of the funds into open-end ones and extension of tenure once for ten years. Chaired by Finance Minister AMA Muhith, the meeting was attended by BSEC Chairman professor M. Khairul Hossain. Senior officials of the ministry, securities regulator, stock exchanges and Investment Corporation of Bangladesh (ICB) were also present the meeting.
- Mohammad Saifur Rahman, the BSEC spokesperson, did not make comment as he was not aware of the discussion held at the meeting. The tenure of some closed-end MFs including Grameen One: Scheme Two, will expire this year.
- Presently, there are 37 closed-end mutual funds listed with the stock exchanges. Earlier on June 29 in 2015, the securities regulator had set deadlines for conversion or liquidation of the closed-end MFs, which earlier crossed 10 years, managed by the Investment Corporation of Bangladesh (ICB) and AIMS of Bangladesh in accordance with a decision taken by three-fourths of the unit-holders.

<http://thefinancialexpress.com.bd/stock/bangladesh/bsec-gets-three-options-to-seal-fate-of-closed-end-mfs-1536465022>

VFS Thread makes trade debut today

The Financial Express, September 09, 2018

- VFS Thread Dyeing makes its share trading debut today (Sunday) on both the bourses under 'N' category. DSE trading code for the company is "VFSTDL" and DSE company code is 17478, according to an official disclosure.
- VFS Thread Dyeing, which received initial public offering (IPO) approval from the Bangladesh Securities and Exchange Commission (BSEC) on April 03, raised a fund worth BDT 220 mn from the capital market.
- The company raised the amount by floating 22 mn ordinary shares at an offer price of BDT 10 each under the fixed price method. The company's public subscription was held on June 24 to July 02 last.
- The company will utilise the IPO fund to purchase plant and machinery, repay bank loans and bear the IPO expenses.
- As per the un-audited financial statement in nine months for the period of July 2017-March, 2018, the company's net profit after tax was BDT 94.05 mn, pre-IPO EPS was BDT 1.50 and post-IPO EPS was BDT 1.11.

<http://thefinancialexpress.com.bd/stock/bangladesh/vfs-thread-makes-trade-debut-today-1536465451>

Runner Automobiles' IPO bidding to begin Monday

The Financial Express, September 08, 2018

- The bidding for discovering cut-off price for Runner Automobiles IPO shares under the book-building method will begin on Monday (September 10). The bidding by the eligible institutional investors through the uniform and integrated electronic subscription system of the stock exchanges will be continued till September 13, officials said.
- Institutional bidding is a must for a company which intends to go public using the book building method. The Bangladesh Securities and Exchange Commission (BSEC) allowed the company to conduct bidding for discovering IPO (initial public offering) share price on July 10.

- Runner Automobiles, which held road show in October 2016, will raise a capital worth BDT 1.0 bn from the capital market using the book-building method. Book building is a process through which an issuer attempts to determine the price to offer for its security based on demand from institutional investors.
- The eligible investors, who will not participate in the bidding, will not be able to participate in the offer period, said a DSE official. After discovering the cut-off price, the shares will be opened for the public subscription for the IPO participants.

<http://thefinancialexpress.com.bd/stock/bangladesh/runner-automobiles-ipo-bidding-to-begin-monday-1536380279>

Economy

Walmart and Amazon to start operating in Bangladesh in 2020

Dhaka Tribune, September 08, 2018

- Walmart and Amazon, two global e-commerce giants, have planned to enter the Bangladeshi market by 2020, said Rezwanul Haque Jami, vice -president of the e-Commerce association of Bangladesh (e-CAB). Rezwanul made the statement while addressing a roundtable discussion on “Local e-commerce industry issues, challenges and solutions” in Dhaka yesterday.
- “Walmart has an office in Bangladesh, and they have been conducting market research for the last 1.5 years. They want to start their business in Bangladesh,” he added.
- “On the other hand, Amazon has come to Bangladesh and held meetings with the government and the authorities concerned. They are planning to start operating here by 2020,” said Rezwanul.
- In addition to this, Chinese e-commerce giant Alibaba have already entered the market by purchasing Daraz, he added.

<https://www.dhakatribune.com/business/2018/09/08/walmart-and-amazon-to-start-operating-in-bangladesh-in-2020>

Startups hold FDI boost potential: experts

New Age, September 08, 2018

- Startups can contribute significantly to attaining foreign direct investment growth as well as to employment generation, which are vital for the country’s graduation to a middle-income nation, said experts at a panel discussion on Friday. They also called on the corporate as well as the financial institutions to provide technical and financial supports to new ventures for the betterment of the country’s economy and to attain good returns out of them.
- The panel discussion was organised as part of a three-day conference titled ‘Accelerator Bangladesh: National Dialogue to Foster the Startup Ecosystem in Bangladesh’ held at the Bangabandhu International Conference Centre in Dhaka. The conference ended on Friday.
- The youth and sports ministry, United Nations Development Program Bangladesh and Citi Foundation jointly organised the programme with a view to establishing a common agenda for Asia-Pacific countries to invest in and empower youth to accelerate implementation of the sustainable development goals through social innovation and entrepreneurship.
- The programme will reach 18 countries across Asia Pacific by 2019. Startup Bangladesh deputy project director Tina Jabeen said the country needs \$20-25 bn in investments to become a middle-income country and startups can play a vital role in this regard.

<http://www.newagebd.net/article/50086/startups-hold-fdi-boost-potential-experts>

Inflation eases to 5.48pc in August on food price

The Financial Express, September 07, 2018

- The general point to point inflation rate dropped 0.54% to 5.48%age point in August from the previous month due to the slight decrease in food inflation, according to the official data. "The general point to point inflation rate slightly eased to 5.48%age point in August," Planning Minister AHM Mustafa Kamal said on Thursday.
- He said, "The inflation was on the declining trend last month as there was no mismatch in the demand and supply side." The government was also very vigil in this regard, he added.
- The Planning Minister said this while releasing the monthly consumer price index at a 'Meet the Press' held at the NEC conference room in Sher-e-Bangla Nagar area of the Dhaka on Thursday. According to the data of Bangladesh Bureau of Statistics (BBS), the general point to point inflation rate in July was 5.51%age point, eased from 5.54%age point in June.
- The inflation rate in May was 5.57%age point, dropped from 5.63%age point in April. In March, the inflation rate was 5.68%age point, while it was 5.72%age point in February and 5.88%age point in January.
- The point to point food inflation declined to 5.97% in August, which was 6.18% in July, said the BBS data. However, the point to point non-food inflation rate increased to 4.73% in August, up from 4.49% in July.

<http://thefinancialexpress.com.bd/economy/bangladesh/inflation-eases-to-548pc-in-august-on-food-price-1536240486>

Kamal expects GDP growth to reach 8.25pc in FY19

The Financial Express, September 06, 2018

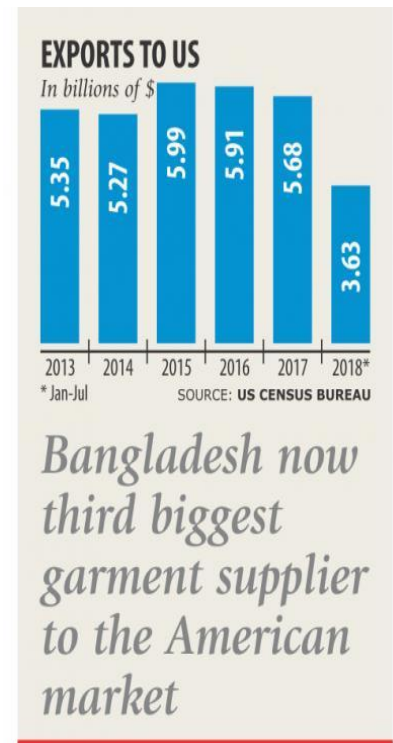
- Planning Minister AHM Mustafa Kamal has expressed his high hope that the GDP growth rate in the current fiscal year (FY19) would reach 8.25% surpassing the fiscal target of 7.8%. "As per the preliminary estimation, the GDP growth rate in the last fiscal year (FY18) reached 7.65% and it will further increase when the final estimation will be made soon," he said on Thursday.
- "We expect that the GDP growth in the current fiscal year will reach 8.25%," he said while addressing a 'Meet the Press' held at the NEC Conference Room in Sher-e-Bangla Nagar area of Dhaka. The Planning Minister also expressed his high optimism that the GDP growth rate in the country would reach 9.0% by 2025, while it would reach 10% by the year 2030.
- Citing a world GDP ranking, Mr Kamal, said that in terms of purchasing power parity (PPP), Bangladesh now stands at the 31st place with a GDP size of \$751 bn. The country is poised to move one step ahead (30th place) in terms of the PPP by the year 2023 when its GDP size would increase by 50% to around \$1159 bn.
- By 2023, many countries in the world like South Africa, Colombia, UAE, Vietnam, Iraq and Singapore will remain below Bangladesh in terms of PPP, said the Planning Minister. Turning to the recently approved Delta Plan 2100 by the National Economic Council (NEC), Kamal said that the government would give its all-out efforts to successfully implement the Delta Plan 2100.

<http://thefinancialexpress.com.bd/economy/bangladesh/kamal-expects-gdp-growth-to-reach-825pc-in-fy19-1536243317>

Apparel pushes up exports to US

The Daily Star, September 09, 2018

- The overall value of Bangladesh's exports to the US increased 5.83% year-on-year to \$3.63 bn in the first seven months this year propelled by higher apparel shipments, US Census Bureau data shows. Export of apparel items grew 5.61% to \$3.21 bn while Bangladesh moved to the third position from sixth with respect to garment export to the US, according to data from the US Office of Textile and Apparel (OTEXA).
- Of Bangladesh's total export value, garment items account for over 90%. China still holds the top position having exported \$14.19 bn-worth garment items in the last seven months. However, China's garment export to the US declined 0.83% year-on-year.
- "Our garment export to the US will grow further in the coming days as now we have completed the renovation of factories to strengthen workplace safety," said Siddiquir Rahman, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- The inspection and remediation of the factories as per recommendations of the Accord and Alliance brightened the country's image a lot, for which customers of the western world are satisfied with Bangladeshi goods, he said. Both the Accord and Alliance have already completed over 90% remediation of the factories in the garment sector, mainly fixing electrical, fire and structural loopholes.



<https://www.thedailystar.net/business/news/apparel-pushes-exports-us-1631353>

International

China's record trade surplus with US adds fuel to trade war fire

The Daily Star, September 09, 2018

- China's trade surplus with the United States widened to a record in August even as the country's export growth slowed slightly, an outcome that could push President Donald Trump to turn up the heat on Beijing in their cantankerous trade dispute.
- The politically sensitive surplus hit \$31.05 bn in August, up from \$28.09 bn in July, customs data showed on Saturday, surpassing the previous record set in June. Over the first eight months of the year, China's surplus with its largest export market has risen nearly 15%, adding to tensions in the trade relationship between the world's two largest economies.
- China's annual export growth in August moderated slightly to 9.8%, the data showed, the weakest rate since March but only slightly below recent trends. The number missed analysts' forecasts that shipments from the world's largest exporter would rise 10.1%, slowing only slightly from 12.2% in July.

<https://www.thedailystar.net/business/news/chinas-record-trade-surplus-us-adds-fuel-trade-war-fire-1631095>

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