

Stock Market

Dhaka stocks gain after two-day fall

New Age, October 09, 2018

- Dhaka stocks advanced on Monday after slight losses in the previous two trading sessions as investors went for buying shares, especially the financial ones. DSEX, the key index of Dhaka Stock Exchange, advanced by 0.55%, or 30.13 points, to close at 5,440.94 points on Monday after losing 12 points in the previous two sessions.
- The average share prices of banks and non-bank financial institutions added 0.77% and 0.66% respectively. Out of the 30 traded bank scrips, 20 advanced, just three declined and seven remained unchanged. The share prices of food, pharmaceuticals and miscellaneous also gained on Monday. On the other hand, the share prices of telecommunication, cement and engineering dropped by 0.65%, 0.59% and 0.13% respectively. The turnover on DSE inched down to BDt 801.42 crore on Monday compared with that of BDt 844.80 crore in the previous trading session.
- The average share prices of energy, food, textile and engineering sectors also advanced by 2.2%, 1.1%, 0.9% and 0.5% respectively. Of the 336 companies and mutual funds traded on Sunday, 170 advanced, 112 declined, and 57 remained unchanged.
- DS30, the blue-chip index of DSE, also gained 0.39%, or 7.45 points, to close at 1,909.69 points. Shariah index DSES added 0.55%, or 6.93 points, to finish at 1,264.07 points. Khulna Power Company led the turnover chart with its shares worth BDt 76.38 crore changing hands.
- Dragon Sweater, United Power Generation Company, Olympic Industries, Active Fine Chemicals, Singer Bangladesh, BBS Cables, IFAD Autos, Confidence Cement and Nurani Dyeing were the other turnover leaders. Appollo Ispat Complex gained the most on the day with a 9.78-per cent increase in its share prices, while Meghna Cement Bangladesh Industrial Finance was the worst loser, shedding 8.92%.

<http://www.newagebd.net/article/52687/dhaka-stocks-gain-after-two-day-fall>

Silva Pharma makes debut Oct 10

The Financial Express, October 08, 2018

- Silva Pharmaceuticals will make its share trading debut on the stock exchanges on October 10 (Wednesday) under "N" category, officials said. The Dhaka Stock Exchange (DSE) trading code for the company is "SILVAPHL" and the company code is 18,493. Silva Pharma will be the 30th listed company under the 'pharmaceutical & chemicals' sector on the Dhaka bourse.
- The pharmaceuticals & chemicals sector accounted for 14.40% of the DSE's total market capitalisation. The Silva Pharma raised a capital worth BDt 300 mn by offloading 30 mn ordinary shares at an offer price of BDt 10 each under the fixed price method.
- The IPO subscription of the company was opened on July 29. It continued until August 05, according to the DSE. The company's IPO was oversubscribed by more than 25 times as the company received about BDt 7.73 bn against the IPO issue of BDt 300 mn.
- The securities regulator, Bangladesh Securities and Exchange Commission (BSEC), approved the IPO proposal of the company on June 11. The pharmaceutical company will purchase machinery, construct building, repay bank loans and bear the IPO expenses with the fund raised from the public. Prime Finance Capital Management, Imperial Capital and SBL Capital Management are working as managers to the issue.

<http://thefinancialexpress.com.bd/stock/bangladesh/silva-pharma-makes-debut-oct-10-1538973047>

Evince Textiles to invest BDt 703m for expansion

The Financial Express, October 08, 2018

- The board of directors of Evince Textiles Limited has decided to invest approximately BDt 703.7 mn for BMRE (balancing, modernisation, rehabilitation and expansion) of its existing project. Of the total amount, BDt 554.10 mn or 79% to be procured by availing term loan facilities from Modhumoti Bank.
- The balance amount of BDt 149.60 mn or 21% will be financed from company's own sources as equity. The breakdown of the investment is as follows, capital machinery & equipment with pumps, motors, pipes, auxiliaries, fixtures, fabrication, erection & installation worth BDt 547 mn and building & civil construction worth BDt 156.70 mn.
- The proposed BMRE has been taken up by the board with a view to enhancing the overall production capacity by 50%. The board also approved the decision of the directors of the company regarding their voluntary forgoing of their accumulated remuneration of BDt 73.20 mn payable to them up to June 30, 2018.
- Recently, Evince Textiles placed in 'Z' category as the company has not recommended any dividend for the year ended on June 30, 2018. The stock brokers and merchant bankers have also been requested to abstain from providing loan facilities to purchase security of the ETL. The company's earnings also declined for the year ended on June 30, 2018.
- The company has reported consolidated EPS (earnings per share) of BDt 1.06, consolidated NAV (net asset value) per share of BDt 14.44 and consolidated NOCFPS (net operating cash flow per share) of BDt 2.85 for the year ended on June 30, 2018 as against BDt 1.16, BDt 14.73 and BDt 2.78 respectively for the same period of the previous year.
- The company disbursed 10% stock dividend for the year ended on June 30, 2017. ETL was listed with the stock exchanges in 2016. The company's sponsor-directors hold 36.67% shares while institutions and general shareholders hold 19.53% and 43.80% shares respectively as on August 31, 2018.

<http://thefinancialexpress.com.bd/stock/bangladesh/evince-textiles-to-invest-BDt-703m-for-expansion-1538978888>

Argon Denims to purchase new looms

SK Trims to invest BDt 45m in Anik Trims

The Financial Express, October 08, 2018

- The board of directors of Argon Denims has decided to procure 48 European-origin brand new looms at an estimated cost of euro 1,845,400 (about BDt 177.62 mn). A loom is a device used to weave cloths and tapestry.
- Each share of Argon Denims, which was listed on the Dhaka bourse in 2013, closed at BDt 28.20 on Sunday, registering an increase of 0.71% over the previous day. Its share traded between BDt 24 and BDt 35.60 in the last one year.
- Recently, the board of directors of company has recommended 15% cash dividend for the year ended on June 30, 2018. In 2017, the company disbursed 12.50% cash and 5.0% stock dividend. The final approval of dividend will come during the annual general meeting (AGM) scheduled to be held on October 30. The record date is on October 11.
- The company has also reported earnings per share (EPS) of BDt 3.18, net asset value (NAV) per share of BDt 26.56 and net operating cash flow per share (NOCFPS) of BDt 4.21 for the year ended on June 30, 2018 as against BDt 2.91, BDt 25.80 and BDt 3.99 respectively for the same period of the previous year.
- The company's paid-up capital is BDt 1.19 bn and authorised capital is BDt 1.50 bn, while the total number of securities is 119.97 mn. The sponsor-directors own 37.13% stake in the company while institutional investors own 30.47% and the general public 32.40% as on August 31, 2018, the DSE data shows.

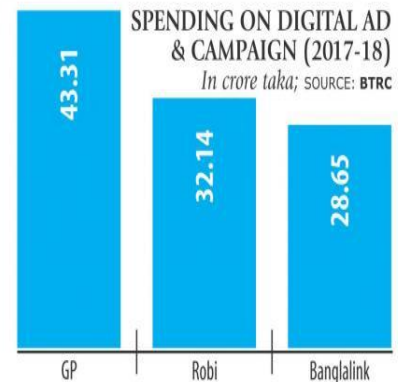
<http://thefinancialexpress.com.bd/stock/bangladesh/argon-denims-to-purchase-new-loom-1538973333>

Economy

Exports remain robust in Sep

The Daily Star, October 09, 2018

- Overseas shipments brought home upwards of \$3 bn for the third straight month in September -- an encouraging sign as the country chases its highest export target yet this fiscal year. Last month, export receipts came to \$3.15 bn, up 55.17% from a year earlier but down 1.89% from the previous month, according to data from the Export Promotion Bureau.
- September's receipts take the tally so far this fiscal year to \$9.94 bn -- 6.54% higher than the export target for the quarter. The export target for fiscal 2018-19 is \$39 bn, 6.38% higher than last year's takings. Export receipts in September last year stood at \$2.03 bn. Garment fetched \$2.45 bn in September, up 48.15% from a year earlier but down 10.26% from the previous month.
- Buyers' confidence on Bangladeshi garment manufacturers has come back after the near completion of factory remediation, said Faruque Hassan, managing director of Giant Apparels, a leading garment exporter.
- Export of leather and leather goods fell 17.46% to \$267.94 mn and jute and jute goods 8.15% to \$216.87 mn. Apart from garment, shipment of home textile increased 4.80% in the first quarter of fiscal 2018-19 to \$202.99 mn.
- Export of terry towel grew 49.22% to \$13.43 mn, ceramics 271.85% to \$39.90 mn, furniture 68.98% to \$18.03million and agricultural products 97.31% to \$291.82 mn. Frozen and live fish export fell 18.17% to \$137.70 mn and bicycle shipments 21.86% to \$17.09 mn in the July-September period.



<https://www.thedailystar.net/business/news/exports-remain-robust-sep-1644619>

State banks' loss-making branches shrink

The Daily Star, October 08, 2018

- The number of loss-making branch of five state-owned commercial banks came down 24% to 270 in the first half of the year. All five banks except Janata saw a sharp decline in the number of loss-making branches thanks to an expansion of loan activities at branch level, said bank officials.
- Sonali, the largest state-owned bank, saw its loss-making branches come down to 137 at the end of June from 181 six months earlier. During the period, Agrani bank brought down its loss-making branches to 31 from 57, Rupali to 27 from 33 and BASIC Bank to 16 from 21, according to data from the central bank.
- Previously, the head offices would give low interest against the deposits collected by branches. Now, they have reversed the situation to show the branches as profitable.
- Meanwhile, the state banks saw a sharp rise in credit growth in the first half of 2018 from a year earlier. Sonali's credit growth was 4.62% in June this year, up from 1.33% from a year earlier. At the end of June, Janata's credit soared to 7.90% from 3.60%, Agrani's to 8.62% from 5.70% and Rupali's to 8.51% from 4.70%, central bank data shows.

<https://www.thedailystar.net/business/news/state-banks-loss-making-branches-shrink-1644586>

Govt suspends betel leaf export to KSA amid Saudi warning

New Age, October 09, 2018

- The government has temporarily suspended betel leaves export to the Kingdom of Saudi Arabia, the largest market for Bangladesh for the item, following a warning from Saudi authorities of import ban on the product. The Saudi Food and Drug Authority recently issued the warning after it detected presence of harmful pesticide above the maximum residue level (MRL) in some consignments of betel leaves from Bangladesh.
- It said Bangladesh might face a ban on export of betel leaves to Saudi Arabia if presence of harmful pesticide was found in any consignment in future. In this context, the agriculture ministry since September 27 imposed the ban on betel leaves export to the kingdom after Bangladesh embassy to Saudi Arabia conveyed the message to the government.
- Bangladesh annually exports betel leaves worth around \$14.90 mn (around BDT 123 crore) to Saudi Arabia while earnings from the export of the item to the other countries is not significant. The country exported 4,948 tonnes of betel leaves in last fiscal year of 2017-2018 mainly to Middle East countries including Saudi Arabia, according to DAE data. Export of the item to the European Union bloc has remained banned since February, 2014.
- The steps have been taken to avoid any possible ban to Saudi market which is one of the biggest export destinations of the product and to ensure that exportable betel leaves are free from any harmful pesticide, bacteria and chemicals. Exporters are claiming that they export betel leaves grown under contract farming.

<http://www.newagebd.net/article/52678/govt-suspends-betel-leaf-export-to-ksa-amid-saudi-warning>

MNOs must take liability for SIM card misuse in illegal VoIP business

BTRC officials say after 12-day drive

New Age, October 09, 2018

- Mobile network operators should not avoid liability for misuse of SIM cards in illegal voice over internet protocol business as most of the SIM cards which were used for terminating international calls through illegal VoIP lacked details about owners and sellers, BTRC officials said after a 12-day drive against illegal VoIP business.
- Although the operators are bound to activate a SIM card after getting all the required information, illegal VoIP providers were found using SIM cards without giving details about them to the mobile phone operators, said the Bangladesh Telecommunication Regulatory Commission officials at a press briefing held at the BTRC office in Dhaka.
- During the drive, jointly conducted by BTRC and Rapid Action Battalion in September 9-20 this year, detected six illegal VoIP installations where 10,947 SIM cards of different mobile phone operators were found along with equipment worth around BDT 37 lakh.
- Of the SIM cards which were used for illegal VoIP calls, 5,075 were of state-owned Teletalk, 3,897 of Robi, 1,414 of Grameenphone, 426 of Banglalink, 120 of Rangstel and 15 of Banglalion. The illegal installations were identified at different locations of Mohammadpur, Adabor, Badda and Uttara areas in Dhaka by using BTRC's VoIP detection box.
- Acting BTRC chairman Md Jahurul Haque said that the detection of the VoIP installations would help the government earn additional BDT 52 crore in revenue in a year. Asked about the figure of illegal VoIP calls, BTRC director general Brigadier General Md Mustafa Kamal said that approximately 2.5 crore minutes illegal voice calls were made in a day.

<http://www.newagebd.net/article/52688/mnos-must-take-liability-for-sim-card-misuse-in-illegal-voip-business>

International

China moves to boost liquidity amid US trade war

The Financial Express, October 08, 2018

- China will cut the amount of cash banks must hold in reserve as part of efforts to support its economy, amid an escalating trade war with the US. The move will see 750bn yuan (\$109bn; £83bn) in cash injected into the financial system. The US is fighting a trade war with China which threatens the outlook for Chinese manufacturing and exports. It is the fourth time the country's central bank has cut its reserve requirement this year.
- China's central bank said it would cut reserve requirement ratios by 100 basis points from 15 October. These are currently 15.5% for large commercial lenders and 13.5% for smaller banks. Cutting reserve requirements frees up money for banks to lend to each other and consumers.
- The People's Bank of China's move will release 1.2 trillion yuan in liquidity, with 450bn yuan of that due to offset maturing loans - meaning 750bn yuan will be injected into the financial system. It comes as the US and China have imposed tariffs on one another's goods in a row that is hitting companies and risks hurting the global economy, according to BBC News.
- The US has imposed tariffs on virtually half of all Chinese imports into the US and has threatened to target all of its imports. China has retaliated with its own set of tariffs, and has accused the US of launching the largest trade war in economic history. Neither is showing signs of backing down, with the Trump administration escalating matters with accusations of election meddling and currency manipulation.

<http://thefinancialexpress.com.bd/economy/china-moves-to-boost-liquidity-amid-us-trade-war-1538980690>

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