

## Stock Market

### Financial scrips power stocks' gain

New Age, December 09, 2018

- Dhaka stocks advanced in the past week amid a surge in share prices of two-third scrips as investors went for bargain hunting share buying, especially from the financial scrips after their recent losses. DSEX, the key index of Dhaka Stock Exchange, gained 0.98 %, or 51.55 points, to close at 5,332.81 points on Thursday, the last trading session of the week after losing 24.70 point in the previous week.
- The core index remained positive in the first four sessions of the week, before profit taking in the final session, as a section of investors went on bargain hunting share purchasing from the bearish market as they found the time suitable for investment.
- Therefore, the financial sectors led the surge on the week with a rise in average share prices of bank and non-bank financial institution advanced 2.1 % and 1.8 % respectively. Out of 30 traded bank scrips, 24 advanced, just five declined and one remained unchanged while out of 23 traded NBFIs, 21 advanced and just two declined.
- The media reported that the defaulted loans in the banking sector reached BDT 99,370 crore, rising by 11.23 % or BDT 10,030 crore in July-September from the previous quarter ending in June. Some investors preferred to be in the side line over the week to observe the current political activities ahead of the national polls.
- Average share prices of miscellaneous, pharmaceuticals and textile sectors dropped 2.7 %, 1.0 % and 0.1 % respectively. The daily average turnover on the bourse, however dipped further to BDT 600.70 crore in last week from BDT 630.77 crore in the previous week.
- Out of the 346 traded issues, 224 advanced, 100 declined and 22 remained unchanged. DS30, the blue-chip index of DSE, added just 0.05 %, or 0.92 points, over the week to close at 1,862.49 points. Shariah index DSES also gained 0.06 %, or 0.73 points, to close at 1,224.20 points.
- Dragon Sweater, Advent Pharma, Paramount Textile, United Power Generation and Distribution Company, ML Dyeing, Khulna Power Company, Indo-Bangla Pharmaceuticals, Western Marine Shipyard and SK Trims & Industries were the other turnover leaders.

<http://www.newagebd.net/article/58357/financial-scrips-power-stocks-gain>

### Foreign funds in DSE keep falling

The Daily Star, December 09, 2018

- Foreign investors' selling spree continued in November in anticipation of political tension ahead of the upcoming national election. Last month, they purchased shares worth BDT 323.84 crore and sold shares worth BDT 346.35 crore, meaning the net investment was BDT 22.51 crore in the negative.
- Their net investment was BDT 201.28 crore in the negative in the previous month, according to data from the premier bourse. Foreign investors normally decide to offload their portfolio if they sense any political turmoil looming or there might be a big shock to the economy, said a top official of a brokerage house requesting anonymity.
- When it comes to Bangladesh, foreign investors are mostly concerned about the politics, said another top official of a brokerage house that handles portfolio investment. Another reason behind the sell-off is the depreciation of the taka, according to market insiders. Foreign investors are now getting BDT 3 less than what they used to get a year ago against every dollar. The exchange rate for dollar is BDT 83.90, in contrast to BDT 80.90 a year ago, according to data from the Bangladesh Bank.

<https://www.thedailystar.net/business/news/foreign-funds-dse-keep-falling-1671172>

## Bonus share declaration by cos swells

New Age, December 08, 2018

- Declaration of stock dividends by listed companies for their shareholders has been rising in the country's capital market amid poor governance, lack of rules and regulatory monitoring. Of the 262 companies that declared dividends for their financial year 2018, 165 companies declared stock dividends along with cash dividends, while the figure was 140 in the previous year.
- Of the 165 companies, 90 companies declared only stock dividends. Sixty-seven companies announced only stock dividends in the previous year. Twenty-three companies declared no dividends for the year of 2018. Declaration of stock dividends is rare in other countries. In the case of stock dividend issuance, the total value of equity remains the same from both the investor's perspective and the company's perspective.
- Companies declare bonus dividend when they want to reward its investors but either does not have the capital to distribute or they want to hold onto its existing liquidity for other investments.
- There is only one provision in the securities rules for limiting declaration of stock dividends by listed companies. The provision said, 'In case of declaration of stock dividend for the year, the company must explain the reason for declaring stock dividend and utilisation of such retained amount as capital must disclosed publicly.' But, if the company wants to declare cash dividend, it faces a number of provisions.

<http://www.newagebd.net/article/58273/bonus-share-declaration-by-cos-swells>

## Sonali Aansh jumps 49pc in a week

*The company eyes diversified jute products*

The Financial Express, December 08, 2018

- The share price of Sonali Aansh Industries soared 49 % or BDT 197 this week, compared to the previous week. The share closed at BDT 730.80 on Thursday, the last trading session of this week. In the last one month, the company's share saw an unusual price hike. On November 8, its share price was BDT 310.90. Since then, it has jumped more than 135 % or BDT 240 each.
- The share traded between BDT 184.10 and BDT 731.20 in the last one year, hitting its year high on Thursday. Following the 'abnormal' price hike, the Dhaka Stock Exchange (DSE) served show-cause notices on the company several times. In reply, the company informed the DSE that there was no undisclosed price sensitive information for the recent unusual price hike of its shares.
- The company's board of directors has also decided to change the articles of association of the company, which will be placed before its annual general meeting (AGM) scheduled for December 31. The board of directors has also recommended 10 % cash dividend for the year ending on June 30, 2018. The final approval of the recommended dividend will come during the AGM to be held in Dhaka.
- The board has also decided to set up Jute Yarn Manufacturing Industries to manufacture jute yarn and twine, fabric, jute wall covering, shoe sole, jute tape, jute rope and other types of products. The company has also decided to make various leather products, laminated jute fabrics and products, chemically treated jute, jute blend and union, cloth/sheet and various types of jute/cotton bags.
- It will make shoe and shoe-related items out of jute, and other products using jute, cotton, leather and similar items as well as jute plastics and eco-friendly material and products. Sonali Aansh, listed on the Dhaka bourse in 1985, disbursed 10 % cash dividend in 2017.

- The board has also reported the earnings per share (EPS) at BDT 1.71, net asset value (NAV) per share at BDT 225.90 and net operating cash flow per share (NOCFPS) at a negative BDT 51.64 for the year ending on June 30, 2018 as against BDT 1.65, BDT 225.19 and BDT 31.06 respectively for the same period of the previous fiscal year.

<http://thefinancialexpress.com.bd/stock/sonali-aansh-jumps-49pc-in-a-week-1544254750>

## Economy

### Farmers' bank account no nears 1cr

New Age, December 09, 2018

- The number of 'BDT 10 bank account' targeting the marginal and landless farmers has now reached almost 1 crore with the addition of 6.48 lakh in July-September this year in almost eight years after such accounts were introduced. The number of farmers' accounts opened with the country's scheduled banks has seen such rise following Bangladesh Bank's instruction in 2010 to the banks to allow farmers to open accounts with an initial deposit of BDT 10.
- The idea was to ensure transparent distribution of farm loans and subsidies, and to bring farmers' savings into the banking channel as part of the financial inclusion programme. After the state-owned banks, private commercial peers followed suit. According to the Bangladesh Bank data, farmers' accounts with banks increased to 99.66 lakh at the end of September this year from 93.18 lakh at the end of June this year.
- As opening of bank account also facilitates farmers to take bank facilities along with loans, their spree in opening accounts increased during the July-September quarter ahead of the commencement of major agricultural season, officials of Bangladesh Bank said.
- Growth in farmers' accounts was lackluster during the last four quarters starting from April-June period of the year 2017. In June-September of the year 2017, farmers' bank accounts increased only 1,724, in September-December period 46,202, in December-March period farmers' number of bank accounts fell by 15,430.
- Their bank accounts, however, increased by 94,997 to 93.18 lakh at the end of June of the year 2018. The Bangladesh Bank data showed that the farmers' total deposits in the bank accounts have increased by BDT 1.67 crore to BDT 298.23 till September 30, 2018 from BDT 296.56 crore at the end of June this year.
- According to the latest Bangladesh Bank data, the banks disbursed BDT 91.98 crore to 40,477 farmers till September 30, 2018 from the refinance fund while the disbursement was BDT 81.52 crore to 37,103 farmers as of June 30, 2018.

<http://www.newagebd.net/article/58356/farmers-bank-account-no-nears-1cr>

### Rivalry over LPG marketing

The Financial Express, December 08, 2018

- It is a fight between the suppliers and the bottlers of liquefied petroleum gas (LPG) over 'compliance' issues. But the consumers, as happens in most cases, are the ultimate sufferers with the government and the regulator concerned deciding to remain onlookers.
- Complaints that are being made by the bulk LPG suppliers are very serious in nature. The first one relates to the use of substandard cylinders for bottling LPG and the second one refers to cheating through placing sand and water inside the cylinders. Now that the LPG importers and suppliers have stopped making gas available to the bottlers, the prices of the fuel have gone up at the retail level.

- The LPG users, reportedly, are counting BDT.200 more for a 12 kilogramme (kg) cylinder. The Chittagong Chamber of Commerce and Industry (CCC&I) has already written to the Prime Minister's Office and relevant other agencies to ensure LPG supply to the bottlers who have made substantial investment and employed hundreds of people.
- There is no denying that substandard cylinders are available in the market. A number of people have been killed and injured in incidents of cylinder blast. The relevant government agency is yet to locate the marketers of the said cylinders. However, the issue of unilateral decision on the part of the LPG importers to suspend supply of gas is not beyond question.
- The LPG bottling plants came up one after another because the LPG importers were supplying gas to the former. The suspension of gas supply alleging the use of substandard cylinders might be justified, but it should have the job either of the department of explosives or the Bangladesh Energy Regulatory Commission (BERC).
- The action on the part of the bulk LPG importers and suppliers against the bottlers might have originated from business interests. The bottling plants, in fact, came up when bulk LPG importers were few in number and their business network were confined in a limited area. Bottling plants then used to market cylinders in most parts of the country. Now that the number of bulk importers of LPG having ability to meet the demand for household cylinders has gone up, the bottlers have turned out to be their business rivals.

<http://thefinancialexpress.com.bd/editorial/rivalry-over-lpg-marketing-1544285281>

## RMG exports to India grow 165pc in first five months

*Western retailers source from Bangladesh for the rising middle class market*

The Financial Express, December 09, 2018

- The country's readymade garment exports to India grew by more than 165 % to US\$ 232.39 mn during the first five months of the current fiscal year (FY 2018-19) over the corresponding period of the last FY. The figure stood at \$ 87.43 mn during the July-November period of FY 2017-18, according to the official data of Export Promotion Bureau (EPB).
- Of the total export earnings in the current five months, \$ 66.16 mn came from knitwear and \$ 166.22 mn from shipments of woven items. The overall exports to India stood at \$ 567.82 mn in July-November of the current FY against \$ 288.20 mn in the same period of the last FY.
- Bangladesh's readymade garment (RMG) export to China also grew by 66.43 % to \$ 221.66 mn during the July-November period of FY'19 while Japanese RMG imports from the country witnessed a 53.33 % growth to \$ 221.66 mn.
- Bangladesh fetched \$ 302.91 mn from apparel shipments to Australia, marking a 22.67 % growth during the first five months. The country's exports grew by 21.34 % to \$ 2.54 bn in the US market. The RMG exports grew by 15.50 % to \$ 2.50 bn in Germany, 12.81 % to \$ 1.05 bn in Spain, 13.42 % to \$ 802.03 mn in France and 13.14 % to \$ 417.39 mn in the Netherlands during the period. The exports, however, witnessed a slow growth of 2.55 % in the UK and the earnings stood at \$1.59 bn.

<http://thefinancialexpress.com.bd/trade/rmg-exports-to-india-grow-165pc-in-first-five-months-1544328013>

## Robi gets highest customers thru MNP service

New Age, December 09, 2018

- The second largest mobile phone operator in Bangladesh, Robi Axiata Limited, won over the highest 48,067 subscribers from three other mobile phone operators in the first two months of mobile number portability service

launch. The leading mobile phone operator Grameenphone faced highest number of customer departure from the operator to other operators during October and November.

- The government on October 1 introduced the much-awaited MNP service with a view to facilitating customers changing their operators without changing their existing mobile numbers. The number of customers received by Robi through MNP service was 62 % of total 77,085 customers who switched network.
- Robi received 25,997 customers in October and 22,070 customers in November. The third largest mobile phone operator, Banglalink, received the second highest 10,263 customers or 24.40 % of the total successful porting completed by during the period including 10,263 in October and 8,259 in November.
- GP received 9,371 customers through MNP, representing 12.11 % out of the total 77,085 customers who successfully ported to other operator under the service. State-owned Teletalk received 1,156 customers or 1.49 % of total successful porting including 554 customers in October and 601 customers in November.
- As per the data of the MNP operator Infozillion Teletech, a total of 1,35,159 customers requested for taking the service and of them 57 % or 77,085 customers were successfully ported and the rest 43 % or 58,078 were rejected by the mobile phone operators for different reasons.
- Porting requests made by the mobile phone subscribers were rejected due to complexity regarding mobile wallet service, non-matching of NID number and bill dues, among others. On the other hand, leading mobile phone operator GP witnessed the highest number of customer departure from the operator. Of the total porting, 35,597 customers of GP or 46.17 % of total customers who took the MNP service opted out to other operators.

<http://www.newagebd.net/article/58355/robi-gets-highest-customers-thru-mnp-service>

## International

### Exports to US soar by 22pc in five months on US-China trade war

- The country's export earnings from the United States posted 21.85 % growth in the first five months of the fiscal year 2018-2019 compared with the same period of FY18 due to shifting US orders of readymade garment products to Bangladesh amid US-China trade war.
- Export earnings from the US, the largest export destination for Bangladesh, in July-November of FY19 grew to \$2.83 bn from \$2.33 bn in the same period of FY 18, according to the Export Promotion Bureau data. Export of readymade garment products to the US increased by 21.34 % to \$2.54 bn from \$2.09 bn in the same period of FY 18.
- Export earnings from the United Kingdom in July-November of the current fiscal year grew by 4.31 % to \$1.73 bn from \$1.66 bn in the same period of FY18, data showed. RMG exports to the UK in the first five months of FY 19 increased by 2.55 % to \$1.59 bn from \$1.55 bn in the same period of FY 18.
- RMG export to India in the period grew by 165.78 % to \$232.39 mn from \$87.43 mn in the same period of FY 18. Country's exports to India in July-November of FY 19 stood at \$567.82 mn with a 97.03 % growth compared with \$288.20 mn in the same period of last fiscal year.



- Along with India, Bangladesh's export to two other Asian countries – China and Japan – achieved remarkable growth in the period. Export earnings from Japan in July-November of FY19 grew by 36.96 % to \$576.5 mn from \$420.96 mn in the same period of FY18.
- RMG exports to Japan in the first five months of FY19 increased by 53.33 % to \$455.95 mn from \$297.36 mn in the same period of FY 18, the data showed. Export earnings from China in July-November of FY19 grew by 36.20 % to \$386.77 mn from \$283.96 mn in the same period of FY18. RMG export to China in the first five months of FY 19 grew by 66.43 % to \$221.66 mn.

<http://www.newagebd.net/article/58354/exports-to-us-soar-by-22pc-in-five-months-on-us-china-trade-war>

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