

Stock Market

DSE, CSE open higher as bullish trend continues

The Financial Express, January 09, 2019

- The prices of most of the shares witnessed upward trend in early hour of trading on Wednesday as investors are active on sector-wise issues amid growing confidence. Market analysts said the investors are taking fresh position amid political stability and more sound business activities in the days ahead as the election held peacefully.



- Following the previous day's sharp rise, the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) opened on positive amid rising trading activities. Within first 15 minutes of trading, the key index of the country's prime bourse advanced more than 11 points while the CSE All Share Price Index (CASPI) of port city's bourse rose 43 points at 10:45am.
- After 30 minutes of trading, the DSEX advanced more than 14 points while the CSE All Share Price Index (CASPI) of port city's bourse gained 5.0 points at 11:00am when the report was filed. DSEX, the prime index of the DSE, went up by 14.77 points or 0.25 % to stand 5,785 points at 11:00am.
- The DS30 index, comprising blue chips, also rose 4.30 points to reach at 2005 points till then. The DSE Shariah Index also advanced 8.28 points to stand at 1,316 points. Turnover, the important indicator of the market, stood at BDT 1.83 bn on DSE when the report was filed at 11:00am.
- Olympic Industries was the most traded stocks till then with shares worth BDT 215 mn changing hands, closely followed by Singer BD, BBS Cables, National Housing Finance and Atlas Bangladesh. Of the issues traded till then, 162 advanced, 107 declined and 49 remained unchanged on the DSE trading floor.
- The port city's bourse – the Chittagong Stock Exchange – (CSE), also saw upward trend till then with CSE All Share Price Index- CASPI-advancing 5.0 points to stand at 17,709 points, also at 11:00am. The Selective Category Index – CSCX –also gained 10 points to stand at 10,690 points till then. Of the issues traded till then, 64 gained, 35 declined and 29 issues remained unchanged with BDT 28 mn in turnover.

<http://thefinancialexpress.com.bd/stock/dse-cse-open-higher-as-bullish-trend-continues-1547012465>

BBS Cables to increase 37pc production capacity

The Financial Express, January 09, 2019

- BBS Cables Ltd has planned to increase 37 % production capacity as it imported capital machineries by utilizing IPO proceeds. The cable manufacturer raised BDT 200 mn from the public by issuing 20 mn ordinary shares using the fixed price method in May 2017 for acquisition of plant and machinery, partial repayment of bank loans and IPO expenses.
- The company is planning to start the commercial production from the new machineries from January 12, 2019, said a disclosure posted on the Dhaka Stock Exchange (DSE) website on Wednesday. The current installed annual production capacity of the company is 16,600 MT as on June 30, 2018 as a result of installing the new machineries, the annual production will increase by 37 % (6,100 MT) that will stand up to 22,700 MT (approx.) annually, the value of which is about BDT 12 bn approximately, said the disclosure

- Each share of the company, which was listed on the DSE in 2017, closed at BDT 106.90 on Tuesday. In the last one year, the company's share price hovered between BDT 70.10 and BDT 139.20 each. The company's paid-up capital is BDT 1.38 bn and authorised capital is BDT 3.0 bn, while the total number of securities is 138 mn.
- The sponsor-directors own 33.33 % stake in the company, while institutional investors own 11.96 %, foreign investors 1.02 % and the general public 53.69 % as on November 30, 2018, the DSE data shows. The company approved 10 % cash and 15 % stock dividend for the year ended on June 30, 2018. Its earnings per share (EPS) rose to BDT 3.06 for July-September 2018 as against BDT 1.57 for July-September 2017.

<http://thefinancialexpress.com.bd/stock/bbs-cables-to-increase-37pc-production-capacity-1547012789>

BSEC approves CAPIEC Unit Fund prospectus

The Financial Express, January 09, 2019

- The securities regulator has approved the draft prospectus of CAPIEC Popular Life P.F. Unit Fund. The approval came Tuesday at a meeting held at the office of the Bangladesh Securities and Exchange Commission (BSEC).
- The initial size of the fund will be BDT 100 mn. The sponsor will contribute BDT 10 mn, while remaining BDT 90 mn will be collected through sales of units. Popular Life Insurance Company Limited Employees Provident Fund is the sponsor of the unit fund. CAPITEC Asset Management will work as fund manager. Investment Corporation of Bangladesh (ICB) is both trustee and custodian of the unit fund whose draft prospectus was approved on Tuesday.

<http://thefinancialexpress.com.bd/stock/bsec-approves-capiiec-unit-fund-prospectus-1547010121>

Banks asked to build business centre vaults on their own

New Age, January 10, 2019

- Bangladesh Bank has asked banks to ensure foolproof security of vaults at their business centres in rented houses by building vaults on their own instead of engaging owners of the houses in the process. The central bank issued the instruction on Tuesday as it came to know that many of the banks were asking owners of the rented houses to build vaults, raising fear that there might be lapse in maintaining security benchmarks.
- According to the BB instruction, vault is a very sensitive installation and its security must be maintained in line with the measures specified by the central bank. BB also asked banks to remove the vaults of such business centres on their own while shifting to another place.
- To facilitate building vaults by banks on their own along with procuring furniture for the business centres, BB on Tuesday revised upward the highest expenditure limit per squat feet. In case of setting up new business centres, banks will be allowed to spend up to BDT 1,850 per square feet while the limit was BDT 1,500 earlier.
- For the transfer of business centres of banks, the entities will now be allowed to spend highest BDT 1,250 per square feet. The previous limit was BDT 1,000 per square feet. The cost of the vault removal would not be included in the cost of the business centre transfer.

<http://www.newagebd.net/article/61328/banks-asked-to-build-business-centre-vaults-on-their-own>

Bank Company Act to be amended to nab defaulters: minister

The Daily Star, January 10, 2019

- The government will amend the bank company act to recover the bulging default loans, said Finance Minister AHM Mustafa Kamal. At the end of September, banks' non-performing loans almost grazed BDT 1 lakh crore -- the largest yet in Bangladesh's 48-year history -- raising criticisms that the government has failed to run the financial sector effectively in the past 10 years.
- The huge amount of non-performing loans will come down if the laws are implemented properly, Kamal told reporters after a meeting with the Banking Division officials at his secretariat office yesterday. At present, if a borrower becomes a defaulter he/she goes to the High Court to thwart the bank's recovery efforts.

DEFAULTED LOANS AT BANKS

In crore taka

SOURCE: BB



<https://www.thedailystar.net/business/news/bank-company-act-be-amended-nab-defaulters-minister-1685452>

Small-cap firms can soon raise funds from stock market

The Daily Star, January 10, 2019

- Small-cap companies will be able to raise funds from the capital market soon, a development that is being viewed with trepidation by analysts. Companies with paid-up capital between BDT 5 crore and BDT 30 crore will be eligible to raise funds on the small capital platform.
- The two bourses have already made the technical and logistic preparation to initiate the small capital board and are now awaiting the publication of rules. The Bangladesh Securities and Exchange Commission approved the rules for small capital companies last November.
- Market analysts are sceptical that the new platform would be much of a success as small companies that maintain financial accounts accurately and corporate governance are few and far between. The small companies' financial statements have to be up-to-date and audited.

<https://www.thedailystar.net/business/news/small-cap-firms-can-soon-raise-funds-stock-market-1685446>

Spending limit raised to set up new bank branches

The Daily Star, January 10, 2019

- Bangladesh Bank yesterday increased the amounts banks can spend to set up new branches and relocate existing ones considering the spiralling prices of the products required. Banks now can spend BDT 1,850 per square feet to set up a new branch whereas the previous limit was BDT 1,500, according to a central bank instruction given to all lenders.
- The spending limit for relocating branches has been increased to BDT 1,250 per square feet from BDT 1,000. Though the cost of purchasing information technology equipment and air-conditioners will not be included in the calculation, banks will have to be sensible in making such expenses.
- Emphasis should be put on environment-friendly products when decorating the branches. The central bank has recently got to know that some banks had started to breach the maximum ceiling of the establishment cost because of a price hike of the needed products, BB said in a circular.

<https://www.thedailystar.net/business/news/spending-limit-raised-set-new-bank-branches-1685443>

Economy

WB retains lower GDP growth forecast of 7pc for FY19

New Age, January 10, 2019

- World Bank has retained economic growth projection at 7 % for Bangladesh for the current fiscal year (2018-2019) although the new finance minister hoped that the rate would reach near 8.5 %. The multilateral lending agency made the projection in its flagship report 'Global Economic Prospects: Darkening Skies' released on Wednesday.
- Earlier, in October 2018, WB in its Bangladesh Development Update forecast that growth in gross domestic product of the country would be 7 % in the fiscal year, falling from 7.86 % in FY18. 'GDP growth is forecast at 7 % in FY 2019 and is expected to decelerate only slightly over the forecast horizon,' WB said in the latest report.
- The newly appointed finance minister, AHM Mustafa Kamal, after taking office on Monday said that the GDP growth in FY19 would reach close to 8.5 %.
- WB in its report, however, said that robust economic activity was expected to be sustained in Bangladesh. Activity will be supported by strong private consumption and investment on the back of infrastructure projects, it observed. Net exports are projected to contribute negatively to GDP growth as imports outpace exports in response to strong domestic demand, the WB pointed out.
- On the domestic front, vulnerabilities are being exacerbated by fiscal slippages and rising inflation, and there is a risk of delays in structural reforms to address balance sheet issues in the banking and non-financial corporate sectors. In South Asia, growth is projected to accelerate to 7.1 % in 2019 and this mainly reflects strengthening domestic demand in India as the benefits of structural reforms such as GST harmonisation and bank recapitalisation take effect, the report said.

<http://www.newagebd.net/article/61327/wb-retains-lower-gdp-growth-forecast-of-7pc-for-fy19>

BB extends deferred payment facility for unprocessed yarn import

New Age, January 10, 2019

- Bangladesh Bank on Wednesday extended policy facility for the import of unprocessed yarn to facilitate backward linkage industries by enhancing the deferred payment facility. At present, industrial raw materials can be imported on six months' deferred payment for the importers' own use as per the buyer's credit facility outlined in paragraph 33(b) of the Guidelines on Foreign Exchange Transaction.
- The central bank, however, on Wednesday issued a circular extending the deferred payment facility to 270 days or nine months from 180 days or six months for only the import of unprocessed yarn. The facility would be applicable for the industrial importers which produce outputs for the local delivery against back to back LCs, the BB circular mentioned.
- The time allowed for the payment of foreign bills of exchange against import would be limited within the production capacity of the concerned factory as set by the Department of Textiles or up to delivery value realised in foreign currency in last twelve months, whichever would be lower. Alongside the BB circular issued by its foreign exchange policy department also allowed authorised dealers to arrange refinance under the buyer's credit for 90 days to settle Export Development Fund (EDF) loan that was used to import unprocessed yarn for the tenure of 180 days' deferred payment basis.
- The facilities, however, would not be applicable for the import of yarn from Nepal through the Banglabandha land port. The FEPD of BB in another circular issued on the day allowed bullet payment for the imports of \$ 0.5 million or equivalent amount under supplier's or buyer's credit of goods.

- In another circular on the day, central bank allowed banks to endorse transport document in favour of importer and deliver the same as per stipulations of export letter of credit or valid sales contract only if full export proceed is received through normal banking channel before sending export documents to counterpart bank abroad for collection.

<http://www.newagebd.net/article/61331/bb-extends-deferred-payment-facility-for-unprocessed-yarn-import>

Bangladesh biggest textile machinery market for China

Four-day expo begins in Dhaka

- Bangladesh will continue to grow as a major textile machinery market as local textile millers are expanding business riding on higher demand for garment items from international consumers, industry people said yesterday. Local fabrics makers, textile millers, spinners and garment manufacturers spend a few bns of dollars every year to buy machinery.
- International Textile & Garment Machinery Exhibition 2019, also known as DTG 2019. The Bangladesh Textile Mills Association (BTMA) and Yorkers Trade & Marketing Services Co. Ltd, Hong Kong jointly organised the four-day exhibition at the International Convention City Bashundhara in Dhaka.
- This year 1,200 exhibitors from 37 countries are showcasing latest machinery in the textile and garment sectors at 1,650 booths set up at the venue. Last year, 1,100 exhibitors from 36 countries took part. Judy Wang, president of Yorkers Trade & Marketing Services Co., said every year the number of participants was increasing as renowned textile and garment manufacturing companies in the world wanted to sell their goods in Bangladesh.

<https://www.thedailystar.net/business/news/bangladesh-biggest-textile-machinery-market-china-1685440>

Making markets work for SDGs

The Daily Star, January 10, 2019

- AS Bangladesh is growing at an exponential speed, its markets are expanding in such ways where intervention is necessary, thereby giving rise to the potential of creating a new transformative economy. In Bangladesh, the market works for the SDGs in the products it produces, services it offers, where its capital flow, and where the employment and supply chain hires and serves the bottom of the pyramid.
- Bangladesh has seen a surge of entrepreneurs, venture capital networks, policies and development projects in recent years and with the right directional support these entities can work towards the same goal – ensuring a quality life for all. If given the opportunity, each of these bodies can come up with unique social business solutions that cater to everyone, particularly the least disadvantaged communities of the society.
- In order to assess whether these endeavours have succeeded in their goal, feedback can be drawn from the people themselves through a ground-up approach on an implementation level, as well as through a top-bottom approach where policymakers and agencies collaborate on an institutional level.
- Through its Innovation Hub launched in 2017, UNDP Bangladesh seeks to identify and understand the modifications in the market machinery that can create an economy where social goals are synonymous to economic prosperity;



where businesses are another medium of achieving a quality life; where financial profit equals investment into human development.

- One might wonder about the necessity of a social business model when many businesses engage in CSR activities. While CSR provides aid or support in money or kind, these activities are rarely sustainable. On the other hand, in its first year, Innovation Hub has been investigating new tools that can channel private sector resources into projects that can be scaled for impact and investment opportunities.

<https://www.thedailystar.net/business/news/making-markets-work-sdgs-1685428>

International

Setbacks for May as MPs debate Brexit deal

New Age, January 08, 2019

- British MPs on Wednesday begin five days of debate ahead of a historic delayed vote on prime minister Theresa May's Brexit deal, a day after giving her a stinging blow aimed at preventing the country from crashing out of the EU with no agreement.
- May's attempts to win over MPs from Northern Ireland's Democratic Unionist Party, which props up her government in parliament but is firmly opposed to the Brexit deal, were also rebuffed on Wednesday.
- The government said it would grant local lawmakers in Northern Ireland greater powers to block legislation if their province ever found itself in a contentious 'backstop' arrangement to avoid a hard border in Ireland. But DUP Brexit spokesman Sammy Wilson told Sky News that the proposals were 'window dressing' and that there would still have to be checks between Northern Ireland and mainland Britain in the event the backstop is enacted.
- May faced another possible setback later on Wednesday as rebel Conservative MPs pushed for a vote that would force the government to reveal its plans within three days if the Brexit deal is not approved next Tuesday. Lawmakers next week will be voting on the agreement that May has negotiated with the EU over the last 18 months, which faces daunting opposition as the clock ticks down before Britain leaves the European Union on March 29.
- The prime minister has warned rebels in her own party that defeat will lead to a no-deal Brexit, or no departure from the bloc at all. But in a vote on Tuesday that raised the chances of a defeat in next week's historic vote, MPs including former ministers approved an amendment that will curtail the government's tax powers in case of a no-deal Brexit.
- David Lidington, May's effective deputy, called the House of Commons defeat 'inconvenient' yet ineffectual and insisted the government remained focused on winning approval for the prime minister's plan. These assurances are set to be delivered to lawmakers before they vote, although not before they start their debate on Wednesday.

<http://www.newagebd.net/article/61324/setbacks-for-may-as-mps-debate-brexit-deal>

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