

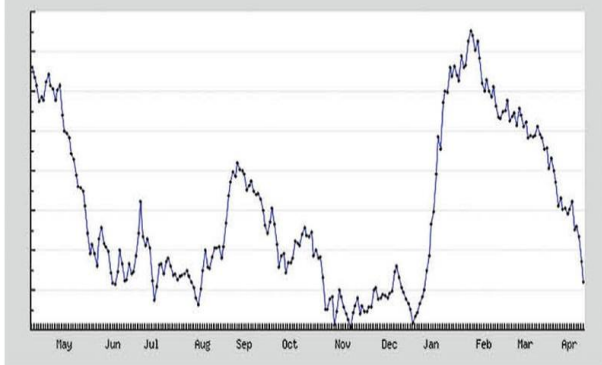
Stock Market

Stocks slump for 3rd day as pessimism grips market

New Age, April 10, 2019

- DSEX, the key index of Dhaka Stock Exchange, plummeted by 0.99 %, or 53.48 points, to close at 5,318.75 points on Tuesday. It lost 146 points in last three sessions. DSEX on Tuesday hit its lowest after December 24 when it was at 5,300.09 points.
- The market has been falling for eleven consecutive weeks, dipping the key index by 630 points that wiped out BDT 22,483 crore in market capitalisation. After gaining 732 points in a month before and after the December 30 general election, the market suddenly started falling due mainly to a liquidity crisis in the financial sector that resulted in a rise in the interest rate.
- Some other issues fuelled the capital market volatility. Besides, the recent talks of possessing tax identification number by all investors, random issuance of placement shares, government proposal of hike in gas prices, and doubt over banks' ability to provide better dividends vitiated the investors' confidence severely.
- The average share prices of all the sectors dropped again on Tuesday. Grameenphone and United Power Generation Company were among the hardest hit. The plunge in share prices of UPGDCL and GP contributed 42 points to the DSEX's fall. The share prices of food sector plunged by 5.2 %, energy 3.5 %, telecommunication 2.4 %, bank 0.81 % and non-bank financial institution 0.8 % that weighed on the index.
- The turnover on the bourse declined to BDT 365.91 crore on Tuesday from that of BDT 418.00 crore in the previous trading session. DSE blue-chip index DS30 also slumped by 1.24 %, or 23.99 points, to close at 1,900.53 points. Shariah index DSES shed 0.61 %, or 7.61 points, to finish at 1,232.99 points.

DSEX IN MAY, 2018-APRIL, 2019



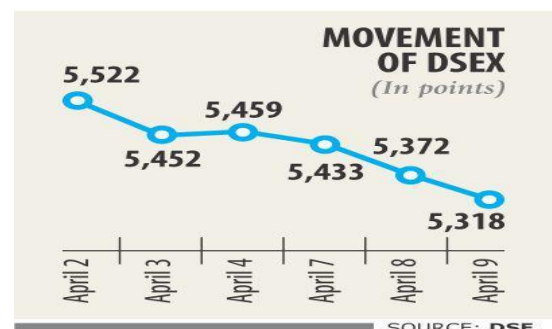
<http://www.newagebd.net/article/69603/stocks-slump-for-3rd-day-as-pessimism-grips-market>

Stock investors at wits' end

Stage demonstration to protest freefall

The Daily Star, April 10, 2019

- Anguished by the freefall of the stock market over the past month, general investors yesterday staged demonstrations in front of the Dhaka bourse. Since March 3, the first trading of the month, DSEX, the benchmark index of the Dhaka Stock Exchange, shed about 400 points, or 7 %, to close at 5,318.75 points yesterday.
- Since his rhetoric, DSE lost 14,537.22 crore, or 3.53 %, in market capitalisation. The benchmark index of the premier bourse also shed about 187 points.
- Now, fund managers and general investors are puzzled seeing no action from the government and the regulator in stemming the slide. For instance, yesterday heavyweight stocks United Power Generation and Grameenphone lost 24.35 points and 21.86 points respectively.



SOURCE: DSE

- Meanwhile, DSEX yesterday continued its dive, shedding 53.48 points to finish the day at 5,318.75. Turnover, another important indicator, increased 12.46 % to BDT 418 crore, with 7.64 crore shares and mutual fund units changing hands on the DSE floor. Of the traded issues, 57 advanced, 231 declined and 59 closed unchanged on the DSE.
- The debutant Esquire Knit Composite dominated the turnover chart with its transaction of 67.83 lakh shares worth BDT 32.80 crore, followed by United Power Generation, British American Tobacco Bangladesh, Eastern Cables and Grameenphone.

<https://www.thedailystar.net/business/news/stock-investors-wits-end-1727680>

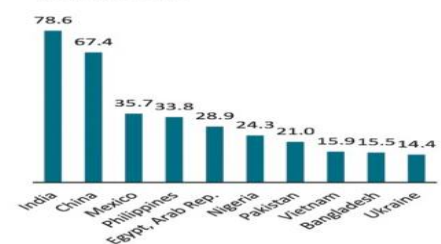
Economy

Bangladesh remains 9th highest remittance receiver: WB

New Age, April 10, 2019

- Bangladesh remained the ninth highest remittance receiving country in 2018 with the total inflow rising to \$15.5 bn from \$13.47 bn of 2017, according to a World Bank report released on Tuesday. India, like the past year, retained the top position with \$ 78.60 bn remittance inflow with over 14 % growth. Remittances flow to Bangladesh increased by 14.8 %, said the report.
- The report said that regionally remittances to South Asia increased by 12.3 %, with remittances to both India and Bangladesh rising by double digits. The report, however, projected that remittance flow to the region will slow down in 2019 to 4.3 % due to a moderation of growth in high-income economies and slower migration to the Gulf Cooperation Council countries.
- The report said the high recruitment costs faced by many low-skilled migrant workers reduce the overall benefits from migration and its impact on reducing poverty in poor countries. Migrant workers continue to be afflicted by recruitment malpractices, the report said citing a recent report of the Center for Migrants' Rights.

Figure 1.2 Top Remittance Recipients in 2018 (\$ billion, 2018)

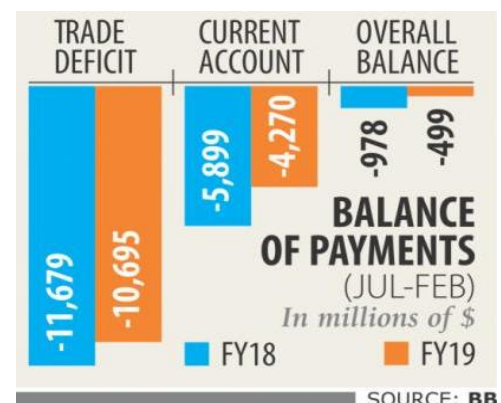


<http://www.newagebd.net/article/69606/bangladesh-remains-9th-highest-remittance-receiver-wb>

Trade deficit narrows

The Daily Star, April 10, 2019

- Trade deficit squeezed by 8.42 % in the first eight months of 2018-19 thanks to the steady growth of exports and a slowdown in imports, giving some breathing space to the government in managing the economy. Between July and February, the deficit stood at \$10.69 bn, down from \$11.67 bn in the same period a year ago, according to data from the central bank.
- Exports stood at \$27.14 bn in the first eight months of 2018-19, up 12.44 % year-on-year. Imports rose 5.64 % to \$37.83 bn. The deficit in the current account has also gone down but the sum is still sizable. The current account deficit decreased 27.21 % year-on-year to \$4.27 bn between July 2018 and February 2019.



- Although, the FDI has increased in recent times, it is still quite low considering the size of the GDP, said Rahman, also the managing director of Dhaka Bank. Net FDI inflow stood at \$1.18 bn in the July-February period, compared to \$948 mn registered during the same period a year ago.

<https://www.thedailystar.net/business/news/trade-deficit-narrows-1727209>

Bangladesh textile millers losing local business worth \$6b a year

New Age, April 09, 2019

- Bangladesh textile manufacturers are losing business worth more than \$6 bn annually in the domestic market due to smuggling of yarn and fabrics into the country and misuse of bonded warehouse facility, industry people said.
- 'The size of domestic market of fabrics is 7 to 8 bn metres worth \$11-\$12 bn. Of which, local producers meet only 3 to 4 bn metres worth nearly \$6 bn and the rest of the demand is met by smuggled fabrics and bonded warehouse fabrics,' Bangladesh Textile Mills Association president Mohammad Ali Khokon told New Age on Monday.
- He said as per the statistics the commercial import of yarn and fabrics was very negligible but more than 50 % of the local demand worth more than \$6 bn was being met by foreign items.
- Market situation suggests that smuggling of fabrics into the country and misuse of bonded warehouse are taking place in a big way

<http://www.newagebd.net/article/69532/bangladesh-textile-millers-losing-local-business-worth-6b-a-year>

Inflation climbs for 3rd month

New Age, April 09, 2019

- The point-to-point inflation continued to climb for the third month, increasing to 5.55 % in March because of rising prices of food items like fish, meat, edible oils, vegetables and fruits. The rate of inflation was 5.47 % in February and it was 5.42 % in January.
- According to data provided by Bangladesh Bureau of Statistics, the point-to-point inflation in March 2018, however, was 5.68 %. In March 2019, the point-to-point inflation in rural areas was 5.38 % with the food inflation standing at 5.80 % and the non-food inflation at 4.58 %.
- Compared with that in the rural areas, food inflation and non-food inflation in urban areas were higher in March. In urban areas, the food inflation rose to 5.52 % and the non-food inflation jumped to 6.2 % as the overall general inflation experienced by urban people was 5.86 % in last month.
- Experts have warned that devaluation of the taka against the US dollar would continue to put pressure on inflation in the coming months. Devaluation of the local currency has made imported essential commodities costlier, they observed.

<http://www.newagebd.net/article/69578/inflation-climbs-for-3rd-month>

SME loan drops for 1st time in '18

New Age, April 06, 2019

- Loan disbursement by banks and non-bank financial institutions to small and medium enterprises declined in 2018 for the first time since the introduction of the SME loan policy in 2010 amid a severe liquidity crisis in the country's banking sector.

- According to Bangladesh Bank data, loan disbursement to SMEs by banks and NBFIs fell by 1.42 % or BDT 2,301 crore in last year compared with that a year ago. In 2018, SMEs received BDT 1,59,510.09 crore against their receipt of BDT 1,61,811 crore in the year of 2017.
- Due to the liquidity crisis, the private sector credit growth declined to a 53-month low at 12.52 % in February this year. SME entrepreneurs urged that the banks should give emphasis on the SME sector in terms of loan sanctioning considering its labour intensive nature and the sector's contribution to the economy.
- Of BDT 1,59,510.09 crore disbursed to SMEs, trade segment received the highest BDT 66,936.21 crore, manufacturing BDT 55,739.61 crore and service sector received BDT 36,834.25 crore. Of the disbursed amount, woman entrepreneurs received BDT 5,517.09 crore in last year.
- As per the central bank regulations, banks are supposed to disburse 20 % of their entire loans to the SME sector. Banks will have to raise the %age to 25 % by the year of 2021. In 2016, loan disbursement to SMEs was BDT 1,41,935 crore.

<http://www.newagebd.net/article/69602/sme-loan-drops-for-1st-time-in-18>

International

EU, US on collision course over aircraft dispute

New Age, April 06, 2019

- The European Union has begun preparations to retaliate over Boeing subsidies, an EU official said on Tuesday, a day after Washington listed EU products it plans to hit with tariffs in their aircraft dispute. The US Trade Representative here on Monday proposed a range of EU products ranging from large commercial aircraft and parts to dairy products and wine to target as retaliation for subsidies given to Airbus.
- A European Commission source said on Tuesday the level of proposed US countermeasures was 'greatly exaggerated', adding the amount of retaliation could only be determined by a World Trade Organisation arbitrator. Airbus said it saw no legal basis for the US move and warned of deepening transatlantic trade tensions.
- The European Union is already facing US tariffs on its steel and aluminium exports and US president Donald Trump has repeatedly threatened to hit EU cars with punitive duties. The two sides are closing in on the climax of a record subsidy dispute that has been grinding its way through the WTO for almost 15 years.
- Both sides have won partial victories in claiming Airbus and Boeing received unlawful subsidies but disagree on the amount involved and whether each has complied with earlier WTO rulings.
- The US tariffs proposal put pressure on shares in European makers of aircraft and aerospace suppliers, wine, cheese and luxury goods. At 0950 GMT, Airbus shares were down 1.6 %. Airbus suppliers such as Safran and Leonardo lost between 1.0 % and 1.2 %. MTU Aero Engines was 2.5 % weaker and Rolls-Royce down 1.3 %.

<http://www.newagebd.net/article/69610/eu-us-on-collision-course-over-aircraft-dispute>

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