

## Stock Market

### Stocks finish flat amid short-term profit booking

New Age, July 10, 2018

- Dhaka stocks finished flat on Sunday, the first trading session of the week, due mainly to profit-taking selling by a section of investors after a two-day rise. The key index of the bourse, DSEX, finished at 5,366.02 points, adding just 0.07 % or 3.74 points. Turnover on the bourse declined slightly to BDT 892.49 crore on Sunday from BDT 902.83 crore in the previous trading session.
- Although the market started with a positive vibe on Sunday, it finished flat due mainly to short-term profit-booking approach by a section of investors in late trading, stockbrokers said. Besides, confusion over whether or not the market would grow further might be among other reasons for the flat ending of the session despite 30 points gain within a few minutes after the day's trading commencement, they said.
- DS30, the blue-chip index of the DSE, gained 0.13 %, or 2.67 points, to close at 1,929.13 points. The Shariah index, DSES, added 0.46 % or 5.90 points, to close at 1,267.22 points. Of the 339 companies and mutual funds traded on the day, 128 advanced, 165 declined and 46 remained unchanged.
- Bashundhara Paper Mills led the turnover chart with its shares worth BDT 66.61 crore changing hands. Ratanpur Steel Re-Rolling Mills, United Power Generation and Distribution Company, BBS Cables, Alif Manufacturing Company, Alif Industries, Monno Ceramic Industries, Anwar Ganvanizing, Sino Bangla Industries and Fortune Shoes were other turnover leaders. Prime Textile Spinning Mills gained the most on the day, adding 10 %, while Bashundhara Paper Mills was the worst loser, shedding 8.75 %.

<http://www.newagebd.net/article/45537/stocks-finish-flat-amid-short-term-profit-booking>

### Dhaka stocks drop amid bank sector concerns

New Age, July 10, 2018

- Dhaka stocks declined on Monday after a flat ending in the previous session amid investors' concern over the banking sector woes following media reports that reduced lending and deposit rates were affecting the sector. DSEX, the key index of Dhaka Stock Exchange, shed 0.46 %, or 24.74 points, to finish at 5,341.27 points. On Sunday, the index added 3.74 points.
- The market finished negative due mainly to investors' increased share sales following media reports that the banking sector was facing problems in implementing reduced lending rate at 9 % and deposit rate at 6 %, stockbrokers said. Although the bankers following the announcement made by the Bangladesh Association of Banks on June 20 declared that they would implement the reduced rate for lending from July 1, a very few of them have so far managed to do so.
- Media reports said that many of the banks were already facing difficulties to collect deposit after they brought down the deposit rate to 6 %. Turnover on the DSE, however, increased slightly to BDT 901.26 crore on Monday compared with that of BDT 892.49 crore in the previous trading session. Aziz Pipes, a company with BDT 5.09 crore paid-up capital, again rose by 4.78 % to close at BDT 254.60 crore on Monday after a pause on Sunday.
- Of the 341 companies and mutual funds traded, 141 advanced, 164 declined and 36 remained unchanged. DS30, the blue-chip index of the bourse, closed at 1,910.77 points, shedding 0.95 % or 18.35 points. Shariah index DSES, however, inched up by 0.08 %, or 1.03 points, to close at 1,268.26 points. Legacy Footwear gained the most on the day with a 9.95-% increase in its share prices, while GQ Ball Pen Industries was the worst loser, shedding 7.49 %.

<http://www.newagebd.net/article/45600/dhaka-stocks-drop-amid-bank-sector-concerns>

## Stocks end marginally lower amid high turnover

The Financial Express, July 10, 2018

- Stocks ended marginally lower on Monday as risk-averse investors were on selling spree on sector specific stocks. Following the previous day's flat movement, the Dhaka Stock Exchange (DSE) and the Chittagong Stock Exchange (CSE) opened higher amid rising trading activities. Within first 15 minutes of trading, the key index of the country's prime bourse rose more than 10 points while the CSE All Share Price Index (CASPI) of port city's bourse gained 20 points at 10:45am.
- After 30 minutes of trading, the DSEX gained more than 19 points while the CSE All Share Price Index (CASPI) of port city's bourse advanced 38 points at 11:00am. After that it started to decline amid modest volatility. Finally, DSEX ended more than 24 points lower while CSE All Share Price Index fell 32 points at closing. DSEX, the benchmark index of the DSE, settled at 5,341, losing 24.74 points or 0.46 % over the previous session. The DS30 index, comprising blue chips, also fell 18.35 points or 0.95 % to finish at 1,910. However, the DSE Shariah Index advanced 1.03 points to close at 1,268.
- Turnover, the most important indicator of the market, rose to BDT 9.01 bn, which was 1.0 % higher than the previous session's BDT 8.92 bn. The losers took a modest lead over the gainers as out of 341 issues traded, 164 declined, 141 advanced and 36 issues remained unchanged on the DSE trading floor.

<http://thefinancialexpress.com.bd/stock/stocks-end-marginally-lower-amid-high-turnover-1531130545>

## Economy

### Tax-breaks, incentives lure investors

The Daily Star, July 10, 2018

- A rising number of entrepreneurs are joining the queue to establish private economic zones, tempted by the tax breaks and a host of other benefits offered by the government. Some 43 entrepreneurs have so far applied to the Bangladesh Economic Zones Authority (Beza) for licences to set up economic enclaves on their land.
- The remaining 20 applicants are awaiting approval from the Beza governing board headed by the prime minister. The Beza list of investors, who are setting up private economic zones, include big business groups such as Meghna, City, Aman, Bashundhara, Akij, Abdul Monem, Unique, Nitol-Niloy and Kazi Farms. The incentive package, which includes tax and duty benefits, is the main reason behind the growing interest of entrepreneurs to set up private economic zones, said Paban Chowdhury, executive chairman of the Beza.
- Companies setting up factories inside the economic zones will avail duty-free import of raw materials and bonded warehouse benefits to make products for both domestic and international markets. Also, firms will get 50 % discount on land registration fee, stamp duty and local government taxes. Investors will enjoy tax exemption on royalty and dividend payment, while their foreign employees will avail 50 % off on income taxes.
- The food commodity giant has got licence for the City Economic Zone and is waiting for the licence for the City Industrial Economic Zone.

<https://www.thedailystar.net/business/tax-and-customs/tax-breaks-incentives-lure-investors-1602724>

## **Banks get battered**

The Daily Star, July 10, 2018

- The heavyweight banking sector lost BDT 19,740 crore or 26.60 % of its market capitalisation since the turn of the year in what can be viewed as a worrying development for the Dhaka Stock Exchange. On January 1, the 30 listed banks' market capitalisation stood at BDT 74,210 crore; yesterday, it was BDT 54,470 crore. This steep fall in the share prices of banks -- which account for about one-eighth of DSE's capitalisation, the highest -- has also dragged the benchmark index down 14.59 % to 5,341 points in the last six months.
- Bank is the most trustworthy sector to investors, who felt letdown by the ballooning bad loans and a cut in dividend announcements, according to market insiders. In 2017, banks' default loans surged 19.51 % to BDT 74,303 crore, as the Bangladesh Bank's efforts to rein in bad loans went in vain. Of the 30 listed banks, 13 had announced lower dividends last year than a year earlier. And AB Bank even failed to offer any dividend and has subsequently become a junk stock.
- Since January this year, market capitalisation of most sectors declined but the financial sector was hit particularly hard: non-bank financial institutions too shed 21.10 %. During the period, telecommunication lost 16.97 %, pharmaceuticals 4.10 %, engineering 6.55 %, cement 15.12 %, textile 1.89 % and life insurance 6.30 %. Conversely, miscellaneous and fuel and power saw gains of 11.07 % and 10.09 % in market capitalisation respectively.
- Turnover, another important indicator of the market, increased 1 % to BDT 901.26 crore, with 23.24 crore shares and mutual fund units changing hands on the DSE. Of the traded issues, 141 advanced, 164 declined and 36 closed unchanged on the premier bourse. BBS Cables dominated the turnover chart with its transaction of 50.80 lakh shares worth BDT 42.48 crore, followed by Bashundhara Paper Mills, Legacy Footwear, Singer Bangladesh and Ratanpur Steel Re-Rolling Mills.

<https://www.thedailystar.net/business/banking/banks-get-battered-1602712>

## **Audit exemption only if income is 15pc higher**

The Financial Express, July 10, 2018

- No taxpayer will be able to get exemption from any audit by showing only a gross increase in the annual income compared to that of the previous year, according to a new guideline. Taxpayers now will have to show an increase by 15 % in income from the particular sources that they showed in the previous fiscal's tax returns to get exemption from any audit.
- Experts said the measure would help the tax authority check inclusion of undisclosed income in the tax returns under general provisions. Earlier, the tax authority allowed exemption from audit in the event of a gross increase in the income. The National Board of Revenue (NBR) included new provisions to this end in the recently-issued 'Audit Selection Guideline' for audit of tax returns for fiscal year (FY) 2017-18.
- Under the Income Tax Ordinance-1984, tax returns are exempted from any audit on certain conditions. They include the 15 % higher income from the specific sources shown in the previous fiscal's tax returns. Talking to the FE on Sunday, a senior income tax official said a taxpayer's income must be higher from the specific sources mentioned in the previous tax return to get exemption from auditing.
- The guideline for audit selection criteria includes inconsistent deposit of credit in bank accounts and not depositing house property income in bank accounts, when the amount exceeds BDT 25,000 in a month. Also taxpayers, who are continuously showing income below the taxable limit, showing personal loan or collateral-free loan and concealed previous bank accounts, may face the audit.

<http://thefinancialexpress.com.bd/economy/audit-exemption-only-if-income-is-15pc-higher-1531146980>

## International

### Amazon to bring 1,700 jobs to Italy in 2018

The Daily Star, July 10, 2018

- Amazon will bring 1,700 new jobs to Italy by the end of the year, the online commerce giant announced Monday, bringing its number of employees working in the country's groaning economy to 5,200. In a statement Amazon said that the new positions would be permanent hires and open to "people with all levels of experience, training and skills, from software developers and engineers to warehouse workers".
- Unemployment in Italy stands at nearly 11 %, according to the latest figures from national statistics agency Istat. That number spikes to nearly 20 % for those aged between 15 and 34 and just under 32 % for the 15-24 year age range. Economic growth in Italy has lagged behind the rest of the eurozone in recent years.
- This year the country is forecast to see 1.5 % economic growth, compared to 2.3 % for the bloc as a whole. On Wednesday Amazon announced that it would be bringing 2,500 jobs to the United Kingdom, boosting its workforce there to 27,500 people.

<https://www.thedailystar.net/business/global-business/amazon-bring-1700-jobs-italy-2018-1602697>

### China June FX reserves unexpectedly rise amid trade war fears

The Financial Express, July 10, 2018

- China's foreign exchange reserves unexpectedly rose in June, driven by changes in the value of its holdings and even as concerns of a full-blown trade war between Beijing and the Washington rattled markets. Reserves rose USD1.51 bn in June to USD3.112 trillion, compared with a drop of USD14.23 bn in May, central bank data showed on Monday. Economists polled by Reuters had expected reserves to drop by USD10.6 bn to USD3.10 trillion. The small increase in reserves was due asset price changes, the State Administration of Foreign Exchange (SAFE) said in a statement.
- The Chinese currency and equity markets had been on edge ahead of July 6, when US tariffs on USD34 bn worth of Chinese goods kicked in. Beijing has retaliated with tariffs on US products of the same value. The heightened Sino-US trade tensions have sparked concerns of capital outflows from China and threatened to pile more pressure on the Chinese currency.
- China's forex regulator said in the commentary on Friday it expects the country's foreign exchange reserves to remain stable, despite rising trade protectionism and Federal Reserve interest rate increases. Despite the market tumult in the past week, China appears broadly comfortable with a weakening yuan and would intervene only to prevent any destabilizing declines or to restore market confidence, policy insiders told Reuters. Authorities are also confident they won't have to make heavy use of the official foreign exchange reserves to defend the yuan as they did during 2015 when stocks and the currency went into a tailspin. The value of China's gold reserves fell to USD74.071 bn at the end of June, from USD77.323 bn at the end of May.

<http://thefinancialexpress.com.bd/economy/global/china-june-fx-reserves-unexpectedly-rise-amid-trade-war-fears-1531112058>

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