

Stock Market

Dhaka stocks fall for 2nd day on banking sector woes

New Age, December 10, 2018

- Dhaka stocks declined for the second day on Sunday as investors, discouraged by the banking sector woes, continued offloading shares particularly financial scrips. DSEX, the key index of Dhaka Stock Exchange, lost 0.49 %, or 26.57 points, to close at 5,306.22 points on Sunday after losing 28.30 points in the previous session.
- Average share prices of textile, telecommunication and engineering also dropped by 1.93 %, 0.28 % and 0.27 % respectively. Average share prices of miscellaneous, energy and pharmaceuticals advanced by 2.32 %, 0.61 % and 0.44 % respectively.
- The turnover on DSE inched up to BDT 516.79 crore on Sunday compared with that of BDT 514.04 crore in the previous trading session. Of the 336 companies and mutual funds traded on Sunday, 195 declined, 112 advanced, and 34 remained unchanged. DSE blue-chip index DS30 also shed 0.36 %, or 6.80 points, to close at 1,855.67 points.
- Shariah index DSES dropped by 0.17 cent, or 2.14 points, to finish at 1,222.05 points. United Power Generation Company led the turnover leaders with its shares worth BDT 26.87 crore changing hands. Advent Pharmaceuticals, Paramount Textile, Wata Chemicals, Pharma Aid, Dragon Sweater, Kattali Textile, National Tea Company, Meghna Life Insurance, JMI Syringes & Medical Devices and Saiham Cotton were the other turnover leaders.
- Fareast Islami Life Insurance gained the most on the day with an 8.92-% increase in its share prices, while RN Spinning Mills was the worst loser, shedding 8.16 %.

<http://www.newagebd.net/article/58452/dhaka-stocks-fall-for-2nd-day-on-banking-sector-woes>

Rising NPL in banks weighs on stocks

The Daily Star, December 10, 2018

- The spiralling nonperforming loan (NPL) of the banking sector weighed down shares of banks and non-bank financial institutions hitting Dhaka stocks with a 0.49 % fall yesterday. Among the 30 listed banks, prices of 23 fell, four remained unchanged and three rose, an almost similar trend seen in the previous trading day on Thursday.
- The NPL touched BDT 99,370 crore at the end of the third quarter, which is up by 11.23 % compared to the previous quarter and 24 % year-on-year, according to Bangladesh Bank data. The DSEX, the key index of the Dhaka Stock Exchange, fell 28.30 points to 5,332.80 on Thursday. It dropped 26.57 points to close the day at 5,306 yesterday.
- Of the top three negative index contributors, two were banks -- Brac Bank and EBL, according to IDLC Securities. The third one was Beximco Pharma. Five of the major losers also came from banks and NBFIs -- EBL, Brac Bank, IDLC, IPDC and City Bank. Turnover of the market stood at BDT 516.79 crore, up 0.53 % from the previous day.
- United Power Generation was the most traded stock with a turnover of BDT 26.87 crore. Among the major sectors, textile fell 1.91 %, bank 1.20 % and NBFI 0.98 % while life insurance rose 4.08 %, miscellaneous 2.39 % and fuel and power 0.62 %, according to UCB Capital Management.
- Jute Spinners was the day's best performer with a 10 % gain while RN Spinning Mills was the biggest loser, shedding 8.16 %. Of the traded issues, 112 advanced, 195 declined and 34 closed unchanged on the premier bourse. The key index of the port city bourse also fell by 42.34 points, or 0.42 %, before finishing the day at 9,836.32. The Chattogram Stock Exchange traded 78.70 lakh shares and mutual fund units worth BDT 20.19 crore.

<https://www.thedailystar.net/business/news/rising-npl-banks-weighs-stocks-1671448>

RD Food downgraded to 'B' category

The Financial Express, December 09, 2018

- Rangpur Dairy & Food Products is set to place in 'B' category from existing 'A' category with effect from Monday (December 10), said an official disclosure on Sunday. The prime bourse—Dhaka Stock Exchange (DSE)—will send the company to 'B' category as company has approved only 5.0 % stock dividend for the year ended on June 30, 2018.
- The stock brokers and merchant bankers are requested to abstain from providing loan facilities to purchase security of Rangpur Dairy & Food Products in between 1st to 30th trading day after change of categorisation, with effect from December 10 as per the securities regulator's directive in this regard.
- Each share of the company, which was listed on the Dhaka Stock Exchange in 2011, closed at BDT 16.80 on Thursday. In the last one year, the company's share traded between BDT 13 and BDT 23.40. The company also disbursed 10 % cash dividend in 2017. The company's earnings per share (EPS) stood at BDT 0.14 for July-September, 2018 as against BDT 0.17 for July-September, 2017.
- The net operating cash flow per share (NOCFPS) was BDT 0.34 for July-September, 2018 as against BDT. 0.29 for July-September, 2017. The net asset value (NAV) per share was BDT 15.68 as on September 30, 2018 and BDT 15.54 as on June 30, 2018. The company's paid-up capital is BDT 655.92 mn and authorised capital is BDT 1.0 bn, while the number of securities is 65.59 mn.

<http://thefinancialexpress.com.bd/stock/rd-food-downgraded-to-b-category-1544337818>

Economy

BD third among remittance-receiving countries in South Asia

The Financial Express, December 09, 2018

- Bangladesh has been ranked third among remittance-receiving countries in South Asia with a cash inflow of US\$15.9 bn this year, according to a World Bank report. Moreover, the country became the ninth highest remittance earner in the world in 2018.
- Bangladesh experienced strong upticks of 17.9 % in 2018, the bank said. In its latest Migration and Development Brief, the World Bank said Bangladesh, after a steep decline in 2016 (-11.5 %), remittances were flat in 2017, but remittances are showing a brisk uptick in 2018 (17.9 %).
- In 2018, the top remittance-receiving countries in the world are projected to be India (\$79.5 bn), followed by China (\$67 bn), Mexico and the Philippines (\$34 bn each) and Egypt (\$26 bn), according to the global lender. The Bank estimates that officially-recorded remittances to developing countries will increase by 10.8 % to reach \$528 bn in 2018. This new record level follows a robust growth of 7.8 % in 2017.
- The reports also projected that remittances to South Asia will increase by 13.5 % to \$132 bn in 2018, a stronger pace than the 5.7 % growth seen in 2017. The government of Bangladesh recently signed a memorandum of understanding with Nepal agreeing that employers, rather than the migrant workers themselves, will bear the full cost of hiring, said the Bank, reports UNB.

<http://thefinancialexpress.com.bd/economy/bd-third-among-remittance-receiving-countries-in-south-asia-1544362735>

ADP spending 20.15pc in five months

New Age, December 10, 2018

- Implementation of the annual development programme stood at 20.15 % in July-November of the current fiscal year of 2018-2019. As per the latest report of the planning ministry, 57 ministries and divisions spent BDT 36,438 crore of the total ADP allocation of BDT 1,80,869 crore for the entire fiscal year.
- Planning minister AHM Mustafa Kamal on Sunday disclosed the statistics on ADP implementation at a press briefing held at the NEC auditorium in Dhaka. In the first five months, the rate of ADP implementation was 20.11 % in FY18, 19.13 % in FY17, 16.84 % in FY16 and 19.58 % in FY15.
- Of the government agencies which are supposed to spend highest amounts of money, Power Division implemented 36.87 % or BDT 9,377.54 crore in July-November of FY19 out of BDT 25,835 crore allocated for the entire fiscal year. Local Government Division implemented 26.29 %, Roads and Highways Department 15.62 %, science and technology ministry 29.03 % and railways ministry 4.96 % of their respective allocations.
- Replying to a question on a Centre for Policy Dialogue report that said BDT 22,502 crore had been plundered from the country's banking sector through major scams, irregularities and heists in the last one decade, Mustafa Kamal said that the country's banking system required massive reforms in different dimensions to recover the sector from the current situation.

<http://www.newagebd.net/article/58445/adp-spending-2015pc-in-five-months>

New VAT law to come into force from next fiscal year

The Financial Express, December 10, 2018

- The new VAT law will come into force from the next fiscal year with multiple rates instead of a uniform rate of 15 %, the head of NBR said on Sunday. The National Board of Revenue (NBR) may keep three rates of VAT as the uniform rate is not perfect for the country's economy, said NBR chairman Md Mosharraf Hossain Bhuiyan.
- He disclosed this while talking with reporters at a briefing on the occasion of National VAT Day-2018 to be observed today (Monday). He said the tax authority has also started the process of finding out why the 2012 VAT (Value Added Tax) law could not be implemented during the last several years.
- Responding to a question about the justification of enforcing a new law with multiple rates as the existing law has the same, the NBR chairman admitted that the current one is also good, which has been functioning smoothly for many years. The government had passed the new VAT and Supplementary Duty Act-2012 with 15 % uniform rate for all kinds of businesses.
- Apparel exporters are getting duty-free facilities on the import of raw materials under bonded-warehouse facility and their production capacity has also increased, the NBR chair said. The NBR chairman said the board will increase its awareness campaign to offset loss of revenue due to tax exemption.
- On Border Guard Bangladesh (BGB) members' recent attack on three customs employees in Tamabil land port area, the NBR chairman said he would talk to the home minister over phone and send him a letter expressing concern over the issue.

<http://thefinancialexpress.com.bd/trade/new-vat-law-to-come-into-force-from-next-fiscal-year-1544413547>

Bangladesh, Nepal to form technical teams for energy exploration

The Financial Express, December 09, 2018

- Bangladesh and Nepal will form two technical teams to conduct feasibility studies on three aspects of potential energy cooperation between the two nations. According to official sources, the decision was made at a two-day meeting of the Joint Steering Committee (JSC) of Bangladesh and Nepal in Power Sector held in Kathmandu on December 3-4, reports UNB.
- Bangladesh Power Secretary Dr Ahmad Kaikaus led the Bangladesh delegation. As per decision, one team will study the possibilities of joint investment in hydropower generation in Nepal. Another team will explore the potentials of electricity export-import business between the two neighbouring nations. It will also focus on utilising the facilities of a third neighbouring country for that purpose.
- Dhaka has already signed a memorandum of understanding (MoU) with Kathmandu for cooperation in the development of the power and energy sector. Bangladesh also signed a preliminary contract with an Indian company, GMR Energy, to import electricity from its power project in Nepal. A potential snag could be India's consent to using its territory for importing electricity from a third country, since the transmission lines connecting to the national grid would have to travel through India.

<http://thefinancialexpress.com.bd/trade/bangladesh-nepal-to-form-technical-teams-for-energy-exploration-1544284076>

FARM LOAN

Disbursement falls in Jul-Oct

The Daily Star, December 10, 2018

- Farm loan disbursement fell 16 % year-on-year to BDT 5,352 crore in the four months to October in the current fiscal year, according to central bank data. Some banks have recently slowed down lending as part of their efforts to weather the ongoing liquidity crisis, leaving an adverse impact on overall agriculture credit disbursement, Bangladesh Bank officials said.
- The central bank set a farm loan disbursement target of BDT 21,800 crore for 2018-19, of which 24.55 % was disbursed between July and October. Eight state-owned commercial and specialised banks -- Sonali, Janata, Agrani, Rupali, BASIC, BDBL, Bangladesh Krishi and Rajshahi Krishi Unnayan Bank -- together disbursed BDT 2,608 crore.
- As per the central bank instruction, traditional lenders will have to slash the ADR by 1.5 %age points to 83.5 % from existing 90 % and shariah-based banks to 89 % from 90 %. As of October 25, the ratio of 21 banks and Islamic wings of six other lenders was higher than the permissible limit, BB data showed.
- Banks are also facing a tough situation in collecting deposits as clients prefer savings certificates and bonds because of the higher return they offer compared to that on banks' savings products.

<https://www.thedailystar.net/business/news/disbursement-falls-jul-oct-1671451>

International

China's factory gate inflation eases

The Daily Star, December 10, 2018

- China's factory inflation slowed in November, a sign demand remains weak amid Beijing's ongoing trade war with the United States, while consumer inflation also flagged, official data showed Sunday. The producer price index -- an important barometer of the industrial sector that measures the cost of goods at the factory gate -- climbed 2.7 % on-year in November.
- It ticked down from 3.3 % the previous month, recording its weakest growth since October 2016, while remaining in line with the forecast in a Bloomberg News survey. A slowdown in factory gate inflation reflects sluggish demand. The consumer price index (CPI) -- a key measure of retail inflation -- rose 2.2 % on-year, compared with 2.5 % in October.
- Food prices, up 2.5 %, rose quicker than non-food prices, which were up 2.1 %. Energy prices fell over the month. The weak figures come as China's trade war with the US continues to bite and its economy shows signs of slowing. The Asian giant recorded GDP growth of 6.5 % in the third quarter -- its weakest in nine years.
- The growth of China's trade with the rest of the world slowed last month, with exports up 5.4% and imports up 3 % on-year -- compared with 15.6 % and 21.4 % respectively in October.

<https://www.thedailystar.net/business/global-business/news/chinas-factory-gate-inflation-eases-1671418>

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