

Stock Market

Dhaka stocks fall sharply on financial scrips

New Age, February 11, 2019

- Dhaka stocks dropped sharply on Sunday as investors intensified sales of shares of financial sector ahead of the dividend declarations and looming deadline for banks' advanced-deposit ratio adjustment.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.82 %, or 48.18 points, to close at 5,763.73 points on Sunday after gaining 25.91 points in the previous session. After a flat opening, the DSEX moved downward and continued to slide sharply as the day progressed as investors went into heavy selling of shares of financial sector —banks, non-bank financial institutions and insurance companies.
- Share prices of general insurance companies slumped by 5.1 %. Average share prices of banks and NBFIs plunged by 2.0 % and 1.5 % respectively. Textile, telecommunication and cement sectors also dropped on the day.
- On the other hand, the multinational companies including Grameenphone, British American Tobacco and Berger Paints continued to rise on investors' expectation over their year-end dividends. Some of the small capitalised companies, including, Monno Ceramics, Stylecraft and Pharma Aids advanced as the companies showed hefty profits in the half yearly (July-December, 2018) financial statement compared with that of the previous year.
- The turnover on DSE increased to BDT 812.77 crore on Sunday compared with that of BDT 772.97 crore in the previous trading session. Of the 336 companies and mutual funds traded on Sunday, 247 declined, 72 advanced and 29 remained unchanged. DSE blue-chip index DS30 dropped 0.06 %, or 1.41 points, to close at 2,024.68 points.
- Shariah index DSES shed 0.23 %, or 3.12 points, to finish at 1,320.28 points. United Power Generation Company led the turnover leaders with its shares worth BDT 66.55 crore changing hands on the day. Fortune Shoes gained the most on the day with a 9.17-% increase in its share prices, while was the worst loser, shedding 9.81 %.

<http://www.newagebd.net/article/64448/dhaka-stocks-fall-sharply-on-financial-scrips>

Grameenphone named significant market power

Operator to face some restrictions

The Daily Star, February 11, 2019

- The telecom regulator yesterday declared Grameenphone as the operator with the Significant Market Power (SMP) to enhance competition in the industry in a move that can shake up the country's mobile telephony landscape.
- The Bangladesh Telecommunication Regulatory Commission (BTRC) has informed the top mobile phone operator about its decision in a letter. A copy of the letter was also sent to all other operators.
- The move may restrict GP's business growth. The letter says the telecom watchdog will issue some "dos and don'ts" for the SMP operator later. BTRC sources say the commission is working on eight points and GP might be charged additionally alongside regular taxes for customer acquisition.
- The regulator plans to apply different prices to GP's charges and call rates and the benchmark for it might be different from other operators when it comes to quality of services. The SMP is a regulation that imposes restrictions on an operator once it corners 40 % of the subscribers, revenues and spectrum, according to the regulation of the BTRC.



- The commission has found GP as the SMP in two categories: subscribers and revenue. In 2018, the operator has 46.33 % share of the active customer base. For the last few years, its revenue share has been more than 50 %. The number of GP's active SIMs stood at 7.27 crore and revenue grew 3.4 % to BDT 13,280 crore last year. It logged a record BDT 3,520 crore profit last year, the highest to date.

<https://www.thedailystar.net/business/telecom/news/gp-declared-smp-operator-1700122>

Premier Bank to raise lending to CMSMEs

Healthy banking practice is top priority, says its MD

The Financial Express, February 11, 2019

- Premier Bank Ltd., a leading third generation private sector bank, looks to expand its credit portfolio in the Cottage, Micro, Small and Medium Enterprises (CMSMEs) sector to 50 % of the total credit exposure from existing 35 % by 2021.
- Of the total credit in this sector, 30 % will be disbursed to manufacturing segment, 31 % to services-based segment and 39 % to the trading segment. Managing Director and CEO of the bank M Reazul Karim revealed the bank's plan in an interview with The Financial Express recently.
- At the same time, the bank is also committed to reducing non-performing loan rate to zero % by the end of 2020 to make it stronger and healthier. The Premier Bank has recently been honoured with the prestigious award of 'Fastest Growing SME Bank in Bangladesh 2018' by the International Finance UK.

<http://thefinancialexpress.com.bd/stock/premier-bank-to-raise-lending-to-cmsmes-1549774047>

Agent banking accounts double in one year

New Age, February 11, 2019

- The number of agent banking accounts across the country has doubled at the end of 2018 from 2017 as banks are gradually expanding their agent banking activities. According to the Bangladesh Bank (BB) data, the number of accounts with agents increased to 24,56,982 at the end of 2018 from 12,14,367 in 2017.
- In the year 2018, the number of agents increased to 4,493 from 2,577 in 2017 and the number of bank agent outlets also increased to 6,933 from 4,157 in the same period.
- During the period, deposit collection through the agent banking was Taka 3,112.41 crore, which was Taka 1,399.39 crore in 2017. In 2018, official data show, Bangladeshi expatriates sent Taka 5,557.42 crore through the agent banking channel, which was Taka 1,982.02 crore in 2017.
- The central bank launched agent banking in 2013 by giving license to Bank Asia. A total of 21 commercial banks have already taken licenses from Bangladesh Bank while 19 banks are running their activities across the country.
- The commercial 19 banks, which are currently running agent banking activities, are Dutch Bangla Bank, Bank Asia, Al-Arafah Islami Bank, Social Islami Bank, Modhumoti Bank, Mutual Trust Bank, NRB Commercial Bank, Standard Bank, Agrani Bank, First Security Islami Bank, Mid Land Bank, The City Bank, Islami Bank Bangladesh Limited, The Premier Bank, United Commercial Bank Limited, AB Bank, NRB Bank, BRAC Bank and Eastern Bank.

<http://www.newagebd.net/article/64452/agent-banking-accounts-double-in-one-year>

Economy

Indian co proposes exporting LNG

The Financial Express, February 11, 2019

- India's H-Energy has proposed exporting re-gasified LNG to Bangladesh to help run a state-owned 800-megawatt (MW) combined cycle power plant at Rupsha in the southern Khulna region.
- The construction of a 118 kilometre-long pipeline--from Kolkata to Benapole (72 km) and Benapole to Jessore (46 km)--would be required to pump the re-gasified LNG from India into Bangladesh's national gas grid.
- Currently state-run Petrobangla has been importing lean LNG from Qatar's RasGas and Oman's Oman Trading International (OTI) and re-gasifying the LNG in the floating LNG terminal on the Moheshkhali Island in the Bay of Bengal, which is now operational.
- Petrobangla has also initiated deals with a total of 15 global suppliers to import LNG from spot market at a competitive price. It aimed to import around 125 mn cubic feet per day (mmcf) equivalent of re-gasified LNG from H-Energy, which could be increased to 500 mmcf and 1.0 bn cubic feet per day (Bcfd) in future, depending on requirement.
- The North-West also held several rounds of talks then to facilitate import of LNG for the power plant in south-western Bangladesh. Of the total lending, the Asian Development Bank (ADB) will provide \$600 mn and Islamic Development Bank (IDB) would give \$200 mn for the plant.
- The power plant would have two gas-fired units, each having 400 MW capacity to run on imported re-gasified LNG. Bangladesh government would provide the remaining \$150 mn for its implementation. The North-West has already invited bids from potential firms to build the re-gasified imported LNG-based combined cycle power plant.

<http://thefinancialexpress.com.bd/trade/indian-co-proposes-exporting-lng-1549857243>

Over 35pc mobile phones, 19pc computers in BD malware infected: Study

The Financial Express, February 11, 2019

- 35.91 % mobile phones and 19.07 % computers in the country are attacked by malware, said a UK-based study. The study also stated that Bangladesh was the 6th most malware susceptible country in 2018.
- Comparitech, the UK-based firm, conducted the study by taking into account the existing legislation (and drafts) that covered seven categories (national strategy, military, content, privacy, critical infrastructure, commerce and crime). The study, which covered 60 countries, placed Algeria in number one, meaning it is the least cyber safe country whereas Japan has been placed in number 60, meaning it is the most cyber safe nation.

<http://thefinancialexpress.com.bd/national/over-35pc-mobile-phones-19pc-computers-in-bd-malware-infected-study-1549805683>

Karnaphuli tunnel excavation begins Feb 24

The Daily Star, February 11, 2019

- Excavation of the Karnaphuli tunnel will commence in the third week of this month, a development much welcomed by the port city business community for the boost in communication BDT 9,880 crore-project would give upon its completion in 2022.
- The tunnel, which will go under the Karnaphuli at the Naval Academy point in Patenga and connect with Anwara on the other side, will enhance the Dhaka-Chattogram-Cox's Bazar national highway network. Prime Minister Sheikh Hasina is scheduled to inaugurate the excavation under the Karnaphuli river on February 24.

- In order to start the task, a tunnel boring machine used for excavation has recently been imported from China, said officials related with the Multilane Road Tunnel under River Karnaphuli project. The economy of Chattogram would almost double once the tunnel is constructed, said AM Mahbub Chowdhury, senior vice-president of the Chittagong Metropolitan Chamber of Commerce and Industry.
- A new township will develop on the other side of the Karnaphuli once the construction of the tunnel completes, linking the port city with Anwara upazila. The total length of the proposed tunnel will be about 9.3 kilometres: 3.4 km under the river, an approach road of 5.25 km and 727 metres of over-bridge.

<https://www.thedailystar.net/business/news/karnaphuli-tunnel-excavation-begins-feb-24-1700449>

International

India launches third round of oil and gas blocks for exploration

New Age, February 11, 2019

- India on Sunday launched the third bidding round under its open acreage licensing policy (OALP), according to a government statement. Twenty three blocks covering an area of 32,000 square kilometres were offered for bidding, out of which 5 are for extraction of coal bed methane.
- Total exploration acreage is expected to more than triple to 300,000 square kilometres in two years ending 2019, the statement read.
- The third round of bidding is expected to generate up to \$700 mn, the government said. Prime minister Narendra Modi has set a target to cut India's dependence on foreign oil to 67 % by 2022. Under the target, India wants to quickly monetise its hydrocarbon reserves and bring in foreign participation to explore and produce from them.
- India has failed to draw interest from global oil majors in licensing rounds since 1990 even though the fiscal terms were eased. India is so far producing only from seven sedimentary basins out of the 26 that it has discovered.

<http://www.newagebd.net/article/64433/india-launches-third-round-of-oil-and-gas-blocks-for-exploration>

Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

About Bank Asia Securities Ltd

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

BASL Research Team

Mr. Shariful Alam Chowdhury Head of Research & Investments	tushar@basl-bd.com, tusharbd@bloomberg.net
Mr. Shohidul Islam Research Analyst	shohidul@basl-bd.com, shohidulbd@bloomberg.net
Tanzin Naher Research Associate	tanzin@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Networks

Head Office Hadi Mansion (7th Floor) 2, Dilkusha Commercial Area Dhaka-1000, Bangladesh Phone: +88-02-9515826-28 Fax: +88-02-9567884	Modhumita Extension Office 158-160 Modhumita Building (5th Floor) Motijheel C/A, Dhaka-1000 Phone: +88-01819118893	Dhanmondi Branch Meher Plaza (1st Floor), House # 13/A, Road # 05 Dhanmondi, Dhaka - 1207 Phone: +8802-8624874-5	Mirpur Branch Nishi Plaza, plot # 01, Avenue-04, Section-06, Block-C Mirpur, Dhaka - 1216 Phone: +88-02-9013841
Uttara Branch House # 79/A, (4th Floor), Road # 07, Sector # 04 Uttara Model Town, Dhaka- 1230 Phone: +88-02-8958371	Banani Branch Nur Empori, Plot # 77 (1st Floor), Road No # 11, Banani, Dhaka-1213 Phone: +8801716180767	Khulna Branch 28, Sir Iqbal Road (1st Floor) Khulna Phone: +88-041-731208-9	

For International Trade & Sales, please contact **Mr. Sumon Das, Chief Executive Officer**. Please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour.

For further query, write to us at research@basl-bd.com.