

Stock Market

Dhaka stocks advance on ADR adjustment time extension by central bank

New Age, March 11, 2019

- Stocks increased for the second day on Sunday as a section of investors, encouraged by allowing banks more time for adjusting ADR, went for buying shares while many others remained cautious due to liquidity shortage in the financial sector, market operators said.
- DSEX, the key index of Dhaka Stock Exchange, gained 0.37 per cent, or 21.60 points, to close at 5,710.06 points on Sunday after adding 2.07 points in the previous session. The average share prices of engineering, energy and pharmaceutical sectors advanced by 0.87 per cent, 0.70 per cent and 0.65 per cent respectively.
- British American Tobacco Company shot up by 5 per cent on Sunday as the board of the company will disclose its dividend and earnings today for the year of 2018. The rise in the heavyweight company's share prices raised the DSEX by 18 points.
- The average share prices of bank, life insurance and telecommunication dropped by 0.63 per cent, 0.31 per cent and 0.15 per cent respectively. Among the prominent scrips, share prices of Dutch-Bangla Bank, LankaBangla Finance and Grameenphone declined most on the day.
- Out of the 345 issues traded on the day, 112 declined, 187 advanced and 48 remained unchanged. DSE blue-chip index DS30 gained 0.55 per cent, or 11.00 points, to close at 2,001.33 points. Shariah index DSES added 0.61 per cent, or 8.00 points, to finish at 1,311.04 points.
- United Power Generation Company led the turnover leaders with its shares worth BDT 28.36 crore changing hands on the day. Takaful Islamic Insurance gained the most on the day with a 9.16-per cent increase in its share prices while Dutch-Bangla Bank was the worst loser, shedding 7.86 per cent.

<http://www.newagebd.net/article/67037/dhaka-stocks-advance-on-adr-adjustment-time-extension-by-central-bank>

SK Trims to invest BDT 35m in two cos

The Financial Express, March 10, 2019

- The board of directors of SK Trims & Industries has decided to invest BDT 35 mn in two unlisted companies, said an official disclosure on Sunday. As per the board decision, the company will invest BDT 25 mn (2,500,000 shares) i.e. 2.0 per cent shares in W&W Company (Pharmaceuticals Packaging Manufacturing Unit situated in Gazipur).
- The SK Trims will also invest BDT 10 mn (1,000,000 shares) i.e. 1.43 per cent shares in BEKA Garments & Textiles (situated in Narayanganj), the disclosure added further. The board has also confirmed that investment of BDT 10 mn in Dominage Steel Building Systems has been completed.
- SK Trims, which made trading debut on July 15, 2018, disbursed 2.0 per cent cash and 10 per cent stock dividend for the year ended on June 30, 2018. Each share of the company closed at BDT 55.20 on Thursday last at the Dhaka Stock Exchange.
- The company's earnings per share (EPS) stood at BDT 0.73 for October-December period of 2018 as against BDT. 0.41 for October-December 2017. The EPS was BDT. 1.44 for July-December 2018 as against BDT. 0.68 for July-December 2017. The NOCFPS was BDT. 0.56 for July-December 2018 as against BDT. 0.13 for July-December 2017.
- The NAV per share was BDT. 14.27 as on December 31, 2018 and BDT. 12.82 as on June 30, 2018. The company's paid-up capital is BDT 7770 mn and authorised capital is BDT 1.0 bn, while the total number of securities is 77 mn.

<http://thefinancialexpress.com.bd/stock/sk-trims-to-invest-BDT-35m-in-two-cos-1552203930>

VFS Thread sets up new machinery from IPO fund

The Financial Express, March 10, 2019

- The VFS Thread Dyeing has informed that it utilised 100 per cent of its IPO fund and successfully implemented the set-up of new machinery. Last year, the company raised a capital worth BDT 220 mn by floating 22 mn ordinary shares to purchase plant and machinery, repay bank loans, and bear the IPO expenses.
- Sales revenue of the company will be above 1.35 bn per year (approximately) and BDT 220 mn profit after tax at optimum utilisation level, according to the disclosure. The machinery is automatic brand new Thread Manufacturing Machine with Korea and Germany being the countries of origin.
- Incorporated in 2010, VFS Thread Dyeing is a 100 per cent export-oriented manufacturer of sewing thread products. The principal activities of the company are dyeing and finishing of sewing thread of different types for 100 per cent export-oriented readymade garments factories in Bangladesh. Each share of the company closed at BDT 59.90 on Thursday last at the Dhaka Stock Exchange (DSE).

<http://thefinancialexpress.com.bd/stock/vfs-thread-sets-up-new-machinery-from-ipo-fund-1552200396>

BBS Cables posts steady revenue growth in 5 yrs

Its earnings per share soars 55pc in July-Dec

The Financial Express, March 10, 2019

- BBS Cables witnessed a steady growth in revenue earning, net profit and earnings per share in last five consecutive years through 'effective cost management. For the year ended on June 30, 2018, the company has attained the highest revenue growth to BDT 6,588 mn, registering an increase of more than 87 per cent over the previous year.
- The company's net profit after tax also jumped 169 per cent to BDT 1114 mn in FY 2018, from BDT 413 mn in the previous year. The company's total asset has increased nearly 16 per cent year-on-year in the FY 2017-18 due to addition of new fixed assets, according to company's latest annual report.
- Recently, the company has enhanced its production capacity 37 per cent by installing new machinery which was purchased through initial public offering fund. The company started commercial operation from the new machinery on January 12, 2019.
- The company has also reported earnings per share (EPS) of BDT 8.08, net asset value (NAV) per share of BDT 24.31 and net operating cash flow per share (NOCFPS) of BDT 3.03 for the year ended on June 30, 2018 as against BDT 3.44 (re-stated), BDT 19.17 and BDT 5.33 respectively for the same period of the previous year.
- In six months for July-December 2018, the company's earnings per share (EPS) stood at BDT 5.48 as against BDT 3.53 for July-December 2017. The net operating cash flow per share (NOCFPS) was BDT 4.33 for July-December 2018 as against BDT 3.15 for July-December 2017. The net asset value (NAV) per share was BDT 25.76 as on December 31, 2018 and BDT 24.31 as on June 30, 2018.

Financial performances of last five years					
	FY2018	FY2017	FY2016	FY2015	FY2014
Net Revenue	Tk 6588m	Tk 3516m	Tk 2586m	Tk 2268m	Tk 1870m
Net profit	Tk 1114m	Tk 413m	Tk 246m	Tk 201m	Tk 121m
EPS per share	Tk 8.08	Tk 4.12	Tk 2.46	Tk 2.01	Tk 1.22

Source: BBS Cables Annual Report 2017-18

<http://thefinancialexpress.com.bd/stock/bbs-cables-posts-steady-revenue-growth-in-5-yrs-1552192368>

Investors active to hit the jackpot

Primary market adds 220,766 new BO accounts in 7 months

The Financial Express, March 10, 2019

- Around 220,766 new BO accounts were opened in the past seven months as investors were more confident in pouring funds into the primary market rather than the secondary one. Market analysts welcomed the new BO (beneficiary owner's) account holders and suggested them to be cautious while investing in the market.
- To trade in the capital and apply for primary shares, an investor has to open a BO (beneficiary owner's) account with the Central Depository Bangladesh Ltd (CDBL) through a depository participant, which is usually a stockbroker or a merchant bank.
- The total number of BO accounts stands at 2,837,721 as on Thursday which was 2,616,945 in August 01, 2018, according to the CDBL, which preserves electronic data of all individual and institutional investors. Of the total number of BO accounts right now, male investors own 2,071,164 accounts while female investors 753,592 and company 12,965 as of Thursday, the CDBL data shows.
- There are currently 1,782,361 individual accounts, 1,042,395 joint accounts and 12,965 company accounts. All the investors, who got primary shares through IPO, saw good returns, particularly debut trading in recent months, which encouraged the investors to open new BO accounts, said a merchant banker.
- Despite the secondary market witnessed volatility, the primary market was bullish during the period under review. Some eight companies raised funds through issuing IPO shares during the period under review and all companies' IPO oversubscribed many times.

<http://thefinancialexpress.com.bd/stock/investors-active-to-hit-the-jackpot-1552188597>

Tax receipts from DSE slump 29pc in February

Govt earnings drops 6.17pc in eight months

The Financial Express, March 11, 2019

- The government revenue earnings from the Dhaka Stock Exchange (DSE) dipped 29 per cent month-on-month in February in lockstep with falling turnover. The government collected revenue worth BDT 232 mn in February which was BDT 326 mn in January, 2019, according to statistics from the prime bourse of the country.
- DSEX, the prime index of DSE, fell 110 points or 1.89 per cent in February to close the month at 5,711, after gaining 436 points in January, 2019. The daily average turnover on the DSE came down to BDT 7.65 bn in February, which was BDT 9.72 bn in January, 2019, the DSE data shows.
- The government earnings from the DSE in eight months (July to February) of the current fiscal year also fell 6.17 per cent to BDT 1626 mn which was BDT 1733 mn in the corresponding period of the previous fiscal, the DSE data shows.
- The government earned the amount on TREC (trading right entitlement certificate) holders' commission and share sales by sponsor-directors and placement holders. The DSE paid tax worth BDT 2.72 bn in FY 2011-12, BDT 1.27 bn in FY 2012-13, BDT 1.54 bn in FY 2013-14, BDT 1.74 bn in FY 2014-15, BDT 1.58 bn in FY 2015-16, BDT 2.46 bn in FY 2016-17 and BDT 2.33 bn in FY 2017-18 on TREC holders' commission and share sales by sponsor-directors and placement holders.

<http://thefinancialexpress.com.bd/stock/bangladesh/tax-receipts-from-dse-slump-29pc-in-february-1552275161>

Economy

Taka deflates further against US\$

The Financial Express, March 11, 2019

- The exchange rate of the Bangladesh Taka (BDT) depreciated further against the US dollar (US\$) on Sunday, mainly due to higher demand for the greenback in the market for settling import bills. The local currency depreciated by five poisha in the country's inter-bank foreign exchange (forex) market on the day after nearly two weeks, market operators said.
- The US dollar was quoted at BDT 84.20 each in the inter-bank forex market on the day against BDT 83.15 of the previous working day, they added. On February 25, the local currency depreciated by three poisha in the inter-bank forex market on the same ground, when the US currency was quoted at BDT 84.15 each in the forex market against BDT 83.12 of the previous day.
- The local currency faced such depreciation, although the Bangladesh Bank (BB) sold US\$ 44 mn to the commercial banks in the last week to keep the forex market stable. A total of \$1.71 bn has been sold since July 01 of the current fiscal year (FY), 2018-19, to the commercial banks as part of BB's ongoing support, according to latest official figures. The BDT depreciated by 30 poisha against the greenback in the inter-bank forex market from January 03 to March 10, mainly due to higher demand for the greenback, according to the market operators.
- The US dollar was quoted at BDT 84.20 each in the inter-bank forex market on the day against BDT 83.90 on January 02. On Sunday, the exchange rate of BDT depreciated by five poisha against the US currency at customer level for settling import bills.

<http://thefinancialexpress.com.bd/trade/taka-deflates-further-against-us-1552274961>

Exports to US soar by 18pc in July-Feb on US-China trade war

New Age, March 10, 2019

- The country's export earnings from the United States in the July-February period of the current financial year (2018-2019) increased by 17.78 per cent to \$4.59 bn from \$3.90 bn in the same period of FY 2017-18 as buyers shifted orders for readymade garment products from China to Bangladesh due to the ongoing US-China trade war.
- According to the Export Promotion Bureau data, among the traditional market (European Union, the US and Canada), Bangladesh's export continued to achieve highest growth in the US in the current fiscal. Export earnings from the US, the largest export destination for Bangladesh, in July-November of FY19 grew to \$2.83 bn from \$2.33 bn in the same period of FY18, according to the EPB data.
- Export of RMG products to the US in July-February of FY19 grew by 17.69 per cent to \$4.09 bn from \$3.48 bn in the same period of FY18. Export earnings from the United Kingdom, however, continued maintaining a meagre growth due to possible fallout of Brexit.



<http://www.newagebd.net/article/67041/exports-to-us-soar-by-18pc-in-july-feb-on-us-china-trade-war>

International

US pressing India to stop buying Venezuelan oil

New Age, March 11, 2019

- The United States is pressing India to stop buying Venezuelan oil that is a major source of revenue for president Nicolas Maduro's government, Washington's top envoy for Venezuela said, as the Trump administration this week threatened more US sanctions to cut off Maduro's financial lifelines.
- The pressure on India comes as the United States and its regional allies, who back Venezuelan opposition leader Juan Guaido, threaten more sanctions to cut off revenue streams to Maduro's government and force him to step down. Washington views Guaido as Venezuela's legitimate leader and has imposed sanctions on the country's oil sector and announced asset freezes and travel bans targeting top government officials.
- The Indian market is crucial for Venezuela's economy because it has historically been the second-largest cash-paying customer for the OPEC country's crude, behind the United States, which through sanctions against Maduro has handed control of much of that revenue to Guaido.
- Oil shipments to China, Venezuela's other major importer, do not generate cash because they go to pay off bns of dollars in loans made to Caracas by Beijing. The talks over Venezuela come as trade tensions rise between Washington and New Delhi, and when the United States is also pushing India to cease buying Iranian oil.
- The United States is planning to end preferential trade treatment for India that allows duty-free entry for up to \$5.6 bn worth of its exports to the United States. US sanctions typically block American firms from doing business with specific foreign governments or companies. Seeking to prevent Indian purchases of Venezuelan crude would be part of a strategy known as 'secondary sanctions,' in which Washington applies penalties to companies not based in the United States.

<http://www.newagebd.net/article/67001/us-pressing-india-to-stop-buying-venezuelan-oil>

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