

## Stock Market

### Relentless stocks plunge leaves investors reeling

New Age, April 11, 2019

- Dhaka stocks on Wednesday kept plummeting for the fourth day with the turnover hitting one-year low as some of the panic-stricken investors continued with rampant share sales. Wednesday's turnover hit one-year low after March 25, 2018 when it was BDT 224.53 crore.
- DSEX on Wednesday hit its lowest after December 19, 2018 when it was at 5,242.56 points. After a slight gain at the beginning, DSEX started to fall and descended more firmly as the time progressed to end the session deep into the negative zone.
- Investors has remained on the edge as DSEX has been falling for eleven consecutive weeks, dipping by 687 points and wiping out BDT 26,900 crore in market capitalisation. The share prices of Grameenphone fell by 14.40 % in last seven consecutive sessions, including 1.20 % on Wednesday, amid investors' worry about the leading mobile operator's tussle with BTRC over dues.
- Share prices of Heidelberg Cement plummeted by 16.46 % on Wednesday as the company declared lower dividend for 2018 compared with that of 2017 despite growth in profits in 2018. Share prices of Esquire Knit dropped below the cut-off price of BDT 45, determined by the eligible investors, to settle at BDT 43.30 on the day after making debut on Tuesday.
- DSE blue-chip index DS30 also dipped by 1.18 %, or 22.61 points, to close at 1,877.92 points. Shariah index DSES shed 1.22 %, or 15.13 points, to finish at 1,217.86 points. Grameenphone led the chart of turnover leaders with its shares worth BDT 17.57 crore changing hands on the day.
- Monno Ceramic Industries, Fortune Shoes, Reckitt Benckiser, United Power Generation Company, British American Tobacco Company, Eastern Cables, Esquire Knit Composite, Bangladesh Submarine Cable Company and Monno Jute Stafflers were the other turnover leaders.
- Rupali Life Insurance Company gained the most on the day with a 7.59-% increase in its share prices while Heidelberg Cement Bangladesh was the worst loser, shedding 16.45 %.

<http://www.newagebd.net/article/69681/relentless-stocks-plunge-leaves-investors-reeling>

### Stakeholders seek steps from regulators to arrest market fall

New Age, April 11, 2019

- Dhaka Stock Exchange Brokers' Association and Bangladesh Merchant Bankers' Association on Tuesday demanded that the regulators allow raising capital through bond to support the market and bring quality companies to the market to boost investors' confidence.
- They made the request at a press conference held at the DSE office premises after a meeting among capital market stakeholders. Following a continuous fall in share prices at the market, DBA called the emergency meeting in order to halt the downfall and to recover investors' confidence.
- Leaders of DBA, BMBA along with senior DSE officials held a meeting with BSEC later on the day. They placed their demands before BSEC and sought steps for revival of the market.

<http://www.newagebd.net/article/69605/stakeholders-seek-steps-from-regulators-to-arrest-market-fall>

## 60pc looms shut for illegally imported yarn

*Millers call for intensifying customs vigilance*

The Daily Star, April 11, 2019

- Some 60 % of over 1 lakh small and medium power looms which were mainly serving the domestic market have been shut down over the last six months. This is a result of the sale of yarn and fabrics which have been illegally imported through false declarations by a section of unscrupulous traders intending to avail the bond facility.
- The scale of power loom closures can be better understood if the case of Sirajganj district is taken into consideration. Nearly 4,000 out of 10,000 power looms have been shut down there due to the invasion of illegally imported yarn and fabrics, which mainly grabbed the domestic markets, said Mohammad Ali Khokon, president of Bangladesh Textile Mills Association (BTMA).

<https://www.thedailystar.net/business/news/60pc-loom-shut-illegally-imported-yarn-1728277>


## Economy

### Bangladesh second fastest growing economy: IMF

*Projects less inflationary pressure ahead*

The Daily Star, April 11, 2019

- Bangladesh is among the three fastest growing economies in the world, according to the International Monetary Fund (IMF) -- in yet another thumping endorsement of the country's extraordinary growth momentum. The economy will grow at 7.3 percent this year, which will be second highest in the world, as per the IMF report 'World Economic Outlook, April 2019: Growth Slowdown, Precarious Recovery' revealed on Tuesday.
- Neighbouring India will also grow at the same pace as Bangladesh but Rwanda will grow the fastest at 7.8 percent. The three countries would be the only ones in the world to log in more than 7 percent growth this year. The IMF's projection comes on the heels of the World Bank's and the Asian Development Bank's.
- The World Bank, which does not use calendar year in its projections like its counterpart IMF, said Bangladesh would be among the five fastest growing economies in the world this fiscal year with its 7.3 percent growth. The Asian Development Bank tipped Bangladesh to log in the fastest economic growth in the Asia-Pacific region in fiscal 2019-20. This fiscal year, the economy will grow at 8 percent.
- The two multilateral lenders' projections for this fiscal year, however, are lower than the prediction of the government: 8.13 percent. The IMF projected that Bangladesh will see less inflationary pressure and an improvement in its external position this year. Inflation will be 5.4 percent this year, which was 5.6 percent last year.

FASTEST GROWING ECONOMIES	
	
COUNTRY	PROJECTED GROWTH
RWANDA	7.8%
BANGLADESH	7.3%
INDIA	7.3%
SOURCE: IMF	

<https://www.thedailystar.net/business/news/bangladesh-second-fastest-growing-economy-imf-1728289>

## **Banks plagued by liquidity crunch**

The Daily Star, April 11, 2019

- Banks are now offering double-digit interest rates for deposits in a desperate attempt to prop up their liquidity base amid high default loans and heavy bank borrowing by the government. A large amount of funds in the form of non-performing loans is now stuck with defaulters -- hiking the banks' cost of funds.
- At the end of 2018 the total amount of non-performing loans in the banking system stood at BDT 93,911 crore, up 26.38 % from a year earlier. As of January, the excess liquidity in banks stood at BDT 67,642 crore, down 11.45 % from a month earlier and 13 % year-on-year, according to data from the central bank.
- Amid the backdrop, in a baffling move the government last month announced an easy loan rescheduling and loan classification package for defaulters. From May 1, defaulters will be allowed to reschedule their loans for 12 years after furnishing 2 % down payment. At present, defaulters can reschedule their loans for at most 3 years by providing 10 to 15 % down payment.
- Both small and large borrowers will be able to get the rescheduling facility and a 9 % simple interest formula instead of existing compound formula will be applied -- which is lower than the current market rate.
- In another helping hand to the defaulters, the central bank is set to relax the country's loan classification rules, which were tightened in 2012 to comply with global standards. As per the rules, loans overdue for three, six and nine months are now classified as sub-standard, doubtful and bad respectively
- Between July 2018 and January 2019, the government's bank borrowing stood at BDT 4,451 crore. In contrast, a year earlier it did not borrowed any fund but repaid BDT 15,030 crore to adjust its previous lending.

<https://www.thedailystar.net/business/news/banks-plagued-liquidity-crunch-1728283>

## **Swap getting popular in local financial market**

New Age, April 11, 2019

- Interest rate swap is gradually becoming popular in the country's financial market, as many firms are showing interest on such type of derivative to avoid interest rate volatility. Swap is the exchange of one set of cash flows for another, floating to fixed rate or vice versa.
- Usually taking place over the counter (OTC), the contracts are between two or more parties according to their desired specifications, and can be customised in many different ways. For example, if a party borrows from overseas at a floating rate, swap will happen when the party wants to convert the loan into a fixed rate one, considering its long-term uncertainty.
- There are three different types of interest rate swap: fixed-to-floating, floating-to-fixed, and float-to-float. The Eastern Bank inked an interest rate swap deal with the Summit Group, the first-of-its-kind agreement for a local bank, in October 2018. The deal struck up pertains to the interest payment on \$ 71.25 mn loans taken by the two Summit Group concerns-Summit Barisal Power Limited and Summit Narayanganj Power Unit II Limited-in December 2016.
- On the other hand, the BRAC Bank signed a swap deal with the Ace Alliance Power Limited (AAPL) in March. The BRAC Bank provided hedging for the AAPL's exposure to the London Inter-Bank Offered Rate (LIBOR) against its borrowing of \$ 68.60 mn for 10.3 years.

<http://thefinancialexpress.com.bd/trade/swap-getting-popular-in-local-financial-market-1554953104>

## Bangladesh wins WSIS award for 6th time

New Age, April 11, 2019

- Bangladesh has won the 'World Summit on Information Society (WSIS) Prize-2019' for its outstanding contribution to the development of ICT sector. The Establishment of Bangladesh National Digital Architecture (BNDA) and e-Government Interoperability Framework (e-GIF) project of Bangladesh Computer Council won the WSIS Winner Prize in category-6 this year, reports Bangladesh Sangbad Sangstha.
- WSIS Forum chairman and posts, telecommunications and information technology minister Mustafa Jabbar and state minister for ICT Zunaid Ahmed Palak jointly received the award on behalf of Bangladesh from International Telecommunication Union (ITU) secretary general Houlin Zhao in Geneva of Switzerland on Tuesday, a press release said Wednesday.
- Besides, eight projects of Bangladesh have won the WSIS Champions Prize in different categories. The projects are the Development of National ICT Infra-network (Info-Sarker) project, Creating Awareness on E- Right to Information (E-RTI) through Community Radio Project, Teachers' Portal, E- Climate justice and resilience through Community Radio in coastal areas of the Bay of Bengal in Bangladesh, Geo data to control late blight fungal disease in potato in Bangladesh, IT For The Differently Able and Mobile Based Age Verification before Marriage Registration to Stop Child Marriage project.

<http://www.newagebd.net/article/69691/bangladesh-wins-wsis-award-for-6th-time>

## International

### Global economy cooling: IMF

*Coordinated stimulus may be needed*

The Daily Star, April 10, 2019

- The global economy is slowing more than expected and a sharp downturn could require world leaders to coordinate stimulus measures, the International Monetary Fund said on Tuesday as it cut its forecast for world economic growth this year.
- The global lender's semi-annual World Economic Report pointed to the US-China trade war and a potentially disorderly British exit from the European Union as key risks and warned that chances of further cuts to the outlook were high.
- The comments provided an eerie warning to the global officials gathering in Washington this week for the spring meetings of the IMF and World Bank. The world engaged in coordinated fiscal stimulus to counter the 2008 financial crisis.
- In its third downgrade since October, the IMF said the global economy will likely grow 3.3 % this year, the slowest expansion since 2016. The forecast cut 0.2 %age point from the IMF's outlook in January. The projected growth rate for next year was unchanged at 3.6 %.
- More than two-thirds of the expected slowdown in 2019 stems from troubles in rich nations, including members of the EU. One potential misstep lies in Britain's indecision over how to leave the EU. Despite looming deadlines, London has not decided how it will try to shield its economy during the exit process.

<https://www.thedailystar.net/business/news/global-economy-cooling-imf-1728295>

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