

Stock Market

Dhaka stocks rebound as turnover tops BDT 1,000cr after 7 months

New Age, July 11, 2018

- Stocks rebounded on Tuesday with the turnover at the Dhaka Stock Exchange hitting a fresh seven-and-a-half-month high amid investors' portfolio reorganising moves after the June-closure. DSEX, the key index of the DSE, added 0.56 %, or 30.02 points, to close at 5,371.30 points after losing 24.74 points in the previous trading session. Turnover on the bourse increased by 20.7 % to BDT 1,088.19 crore compared with that of BDT 901.26 crore in the previous trading session.
- Tuesday's turnover was the highest after BDT 1,091.9 crore in November 21, 2017. It was BDT 902 crore on July 5. Stockbrokers said the market finished up with an increased turnover due mainly to shift of investors' focus from the banking sector to the other sectors. Of the large capitalised sectors, banking and telecommunication declined by 0.74 % and 2.1 % respectively in line with the previous trading session.
- DS30, the blue-chip index of the bourse, however, fell by 0.05 %, or 1.08 points, to close at 1,911.85 points. Shariah index DSES finished at 1,271.02 points, adding 0.21 % or 2.76 points. Bashundhara Paper Mills led the turnover chart with its shares worth BDT 45.88 crore changing hands. BBS Cables, Ratanpur Steel Re-Rolling Mills, Pacific Denims, Paramount Textile, United Power Generation and Distribution Company, BEXIMCO, Western Marine Shipyard, Fu-Wang Food and Alif Industries were the other turnover leaders. Peninsula Chittagong gained the most on the day with a 10-% increase in its share prices, while Aramit was the worst loser, shedding 6.67 %.

<http://www.newagebd.net/article/45703/dhaka-stocks-rebound-as-turnover-tops-BDT-1000cr-after-7-months>

Stocks bounce back after falling into correction

The Financial Express, July 11, 2018

- Stocks rebounded on Tuesday while the daily trade turnover on Dhaka Stock Exchange (DSE) scaled BDT 10-bn mark after eight months as the investors put fresh stakes on stocks. Turnover, an important indicator of the market, stood at BDT 10.88 bn on the country's premier bourse, climbing further by 21 % over previous day's mark of BDT 9.01 bn. It was the biggest single-day transaction in the last eight months since November 21, 2017, when the turnover totalled a record BDT 10.91 bn.
- Along with turnover, DSEX, the prime index of the DSE, also went up by 30 points or 0.56 % to settle at 5,371. The two other indices also edged higher. The DS30 index, comprising blue chips, advanced 1.08 points to settle at 1,911 and the DSE Shariah Index gained 2.76 points to close at 1,271. Of the traded issues, 183 closed higher, 99 ended lower with 57 issues remaining unchanged on the DSE trading floor.
- The Peninsula Chittagong was the day's highest gainer, posting a gain of 10 % while the Aramit was the worst loser, losing 6.67 %. The port city bourse also ended higher with its All-Share Price Index-CASPI- advancing 87 points to settle at 16,548 and the Selective Categories Index - CSCX -gaining 53 points to finish at 10,012.

<http://thefinancialexpress.com.bd/stock/stocks-bounce-back-after-falling-into-correction-1531215665>

Dhaka stocks drop amid bank sector concerns

New Age, July 11, 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.
- 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. Amid a fall in the prices of large capitalised scrips, the prices of some low capitalised and fundamentally weak companies continued to grow abnormally.
- 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.
- Bashundhara Paper Mills, Legacy Footwear, Singer Bangladesh, Ratanpur Steel Re-Rolling Mills, Pacific Denims, United Power Generation and Distribution Company, Fortune Shoes, Prime Textile Spinning Mills and Dragon Sweater and Spinning were the other turnover leaders. 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>

Runner Auto gets BSEC nod to discover IPO cut-off price

New Age, July 11, 2018

- The Bangladesh Securities and Exchange Commission on Tuesday granted Runner Automobiles Ltd permission to set the cut-off price of its shares through completing electronic bidding under the book building method of initial public offering. The commission at a meeting, which was presided over by its chairman Md Khairul Hossain, gave the permission to the company which aims to raise BDT 100 crore through IPO.
- Although the institutional investors are supposed to purchase shares of that company at the cut-off price, the individual investors get scope for purchasing the scrip at 10 % discounted price through IPO. Runner Automobiles will use the IPO proceeds for research and development, purchase of machinery, repaying bank loans and meeting expenditure for IPO process.
- The company's weighted average earning per share was BDT 3.31 and net asset value per share BDT 55.70 (including reevaluated reserve) and BDT 41.49 excluding reevaluated reserve. IDLC Finance Ltd is the issue manager for the company's IPO. The BSEC at the meeting also changed the wording of a notification related to mandatory shareholding by the sponsor-directors of a listed company.
- The notification was issued in 2011 with a view to checking share sale pressure from the sponsor-directors after the market crash in 2010-2011 but it virtually failed to support the capital market due mainly to inadequate regulatory tools to take punitive measures for violation.

<http://www.newagebd.net/article/45701/runner-auto-gets-bsec-nod-to-discover-ipo-cut-off-price>

11 listed firms remain traceless

The Daily Star, July 11, 2018

- Eleven companies listed on the Dhaka Stock Exchange have made off with at least BDT 42.19 crore of investors' money, in what can be described as a stunning instance of swindling. Neither the capital market regulator nor the DSE has taken any step to trace the companies and retrieve the money. The companies are Amam Sea Food, Bangladesh Electricity Meter (BEMCO), Chic Tex, German Bangla J V Food, M Hossain Garments, Metalex Corporation, Pharmaco International, Rangamati Food Products, Raspit Data Management, Raspit Inc Bd and Saleh Carpet.
- The Daily Star went to the addresses of six of the 11 companies -- Raspit Data Management, Raspit Inc Bd, Saleh Carpet, Chic Tex, Pharmaco International and M Hossain Garments -- and did not find their existence at all. The two companies had sold off their all assets before vacating the premise, he said. The owner of the building that housed Saleh Carpet's office said the company had departed in 2008 without clearing the rent.
- Amam Sea Food was listed in 1966 as a food and allied company. The company's total number of shares stands at 100,800 and the face value of each share is BDT 100. General investors, who held 34.7 % shares of the company, lost BDT 34.97 lakh as per the face value of the shares. BEMCO was listed on the DSE as an engineering company in 1995. Its total shares are 364,000, each carrying a face value of BDT 100. General investors, who held 74.73 % stakes of the company, lost BDT 2.72 crore.
- Listed in 1988, Metalex Corporation, an engineering company, had 50,000 shares of BDT 100 face value. Investors held 47.11 % of the shares and lost at least BDT 23.55 lakh. Pharmaco International was listed in 1987. The total number of shares is 2 lakh, each with a face value of BDT 100. General investors lost BDT 1.48 crore as their shareholding was 74.44 %. Rangamati Food was listed in 2001 as a food and allied company. Its total share was 30 lakh. General investors lost BDT 2 crore as their shareholding was 66.67 %.
- Raspit Data Management, an IT firm, was listed in 2001. Its total shares are 50 lakh. General investors lost BDT 2.50 crore as their shareholding is 50 %. Raspit Inc was listed on the DSE in 1995 as a food and allied company. General investors, who held 50 % of the 1.57 crore shares of the company, lost BDT 7.88 crore. Saleh Carpet was listed in 1995. Investors lost BDT 3.97 crore as they held 65 % of the company's total shares of 61.10 lakh. Chic Tex was listed as a textile company in 1996. The paid-up capital of the company was BDT 12.54 crore. Almost the entire shares of the company were in the hands of general investors, who lost BDT 12.54 crore on the basis of the face value of the shares.

<https://www.thedailystar.net/business/11-listed-firms-remain-traceless-1603312>

Economy

SME loans dip by 10pc in Q1 as liquidity crisis bites

New Age, July 11, 2018

- SME loan disbursement by banks and non-bank financial institutions declined by 10.34 % or BDT 4,201 crore in the first three months (January-March) of the year 2018 compared with that in the same period of the previous year. As per a recently released central bank report, banks and NBFIs disbursed BDT 36,419.55 crore in loans to the SME sector in the first quarter of the year 2018, while the figure was BDT 40,620.54 crore in the same quarter last year.
- The BB on January 30 reduced the advance (loan)-deposit ratio for conventional banks to 83.5 % from 85 % and IDR (income-deposit ratio) for Islamic banks to 89 % from 90 % and the entities are supposed to adjust the ratio by March, 2019.
- Although SME loan disbursement to the service and manufacturing sectors increased in January-March, loans to entrepreneurs associated with the trade sector fell sharply by 34.03 % or BDT 9,046 crore. In January-March this year,

SME loans to entrepreneurs associated with the trade sector declined to BDT 17,534.21 crore while the figure was BDT 26,580 crore in the same quarter in 2017.

- The number of beneficiary entrepreneurs also fell by 23.8 % to 1,19,423 in the first quarter of 2018 from 1,56,740 a year ago. In January-March, entrepreneurs associated with the manufacturing sector received 28.16 %, or BDT 2,711 crore, higher loans from banks and NBFIs. The entities disbursed BDT 12,337 crore to the manufacturing sector in the quarter, whereas the loan disbursement figure was BDT 9,626 crore in January-March last year.

<http://www.newagebd.net/article/45695/sme-loans-dip-by-10pc-in-q1-as-liquidity-crisis-bites>

Practice of carrying cash declining: experts

The Daily Star, July 11, 2018

- The practice of carrying cash is gradually declining in Bangladesh as people are getting to understand the financial benefits of digital payment systems like debit and credit cards, said experts and policymakers yesterday. Bns of taka is being transferred through digital channels every day, so security needs to be enhanced to ensure that this money reaches desired destinations, they told a seminar titled “Payments, Identity and Security”.
- Entrust Datacard, a global provider of trusted identity and secure transaction technologies, and LEADS Corporation Ltd, Bangladesh organised the event at The Westin Dhaka. Bangladesh still does not have a payment system act, but it is a prerequisite to pushing the industry to the next level, said Lila Rashid, general manager of the payment systems department of the Bangladesh Bank.
- Rashid also criticised banks, mostly leading private ones, for not pushing the regulator into introducing the latest technological solutions. “The regulator always lags behind and private banks need to push the regulator to allow more modern solutions which will help their customers,” she added. There are 9.80 lakh credit cards and about 1.1 crore debit cards in the country, said speakers, adding that people were also using a huge number of digital financial services, pushing the market to become cashless.

<https://www.thedailystar.net/business/banking/practice-carrying-cash-declining-experts-1603285>

Singapore keen to invest in financial sector

The Daily Star, July 11, 2018

- A high-powered business delegation from Singapore yesterday showed keen interest to invest in the banking and financial sector as it offers immense growth potential. “There is business potential for foreign banks in Bangladesh and a few international banks already operate here,” said Teo Siong Seng, chairman of the Singapore Business Federation and the head of the delegation.
- Jointly organised by the Federation of Bangladesh Chambers of Commerce and Industry (FBCCI) and the Bangladesh Business Chamber of Singapore, the forum was moderated by Sheikh Fazle Fahim, senior vice-president of the FBCCI. Over the past decade, the Bangladesh economy has been one of the top performers in Asia, said Enamul Huque, head
- Huque said with an inherently low cost-base, skilled labour force, developing infrastructure and export incentives, Bangladesh can also prove itself to be a strategic base for sunset industries from more advanced Asean markets that are looking to relocate, and the industries that find themselves in crosshairs of protectionist trade policies.
- Nasrul Hamid, state minister for power, energy and mineral resources, urged Singaporeans to invest in energy and power as Bangladesh needs USD40 bn in investment in the sector in the next five to six years. Hamid said the

government is going to sign an agreement with American multinational conglomerate GE in Dhaka today to produce 3,600 megawatt of power.

- FBCCI President Shafiul Islam Mohiuddin said because of Bangladesh's geographical location, many countries are showing interest to invest in the country. For instance, a Thai minister has recently instructed the businessmen of his country to invest in Bangladesh, he said.

<https://www.thedailystar.net/business/banking/singapore-keen-invest-financial-sector-1603306>

International

China pledges USD20b to revive Middle East economy

The Financial Express, July 11, 2018

- Chinese President Xi Jinping has pledged a package of USD20 bn (15.12 bn pounds) in loans, and about USD106 mn in financial aid, to Middle East nations. The president on Tuesday pledged the loan as part of what he called an “oil and gas plus” model to revive economic growth in the region. The East Asian country has ramped up engagement in the Middle East in recent years as Arab nations play an important role in Xi’s signature Belt and Road foreign policy plan for strong trade routes linking China with central and Southeast Asia, reports Reuters.
- Development was the key to resolving many security problems in the Middle East, Xi told a gathering with representatives of 21 Arab nations in Chinese capital. The Chinese President said that they would offer aid worth USD15 mn to Palestine to support economic development, besides providing a further USD91 mn to Jordan, Lebanon, Syria and Yemen.
- China despite its reliance on the region for energy supplies, has been trying to get more involved in resolving long-standing disputes. The second largest economic country of the world says it sticks to a policy of “non-interference” when offering financial aid and deals to developing countries, which, coupled with development, can help resolve political, religious and cultural tension.

<http://thefinancialexpress.com.bd/economy/global/china-pledges-20b-to-revive-middle-east-economy-1531208597>

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 (BASL)

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
Mr. Md. Monirul Islam Research Associate	abir@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Branches

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.

BASL DAILY NEWS BUZZ

July 11, 2018



Your Trusted Broker

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