

Stock Market

Dhaka stocks dip amid cautious trading

New Age, October 11, 2018

- Dhaka stocks dipped on Wednesday amid a fall in the share prices of the majority of traded scrips as investors went for cautious trading on the verdict day of August 21 grenade attack cases. DSEX, the key index of Dhaka Stock Exchange, dropped by 0.36%, or 19.65 points, to close at 5,436.15 points on Wednesday after gaining 45 points in the previous two sessions.
- The average share prices of all the sectors except energy declined on the day. The share prices of textile, non-bank financial institution, bank and cement sectors dropped by 1.4%, 0.7%, 0.6% and 0.3% respectively. On the other hand, investors' heavy share purchasing from some large capitalised companies of energy sectors including Summit Power, Khulna Power Company, Shajibazar Power and Power Grid saved the market from a steep fall, market operators said.
- Khulna Power and Summit Power together logged 27% of the day's total turnover. The share prices of Silva Pharmaceuticals Limited that made its debut on Wednesday soared by 199% to settle at BDT 29.90 from the issue price of BDT 10. The turnover on DSE inched up to BDT 801.94 crore on Wednesday compared with that of BDT 801.21 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Tuesday, 229 declined, 58 advanced, and 52 remained unchanged. DS30, the blue-chip index of DSE, also lost 0.33%, or 6.54 points, to close at 1,922.39 points. Shariah index DSES shed 0.27%, or 3.57 points, to finish at 1,274.45 points. Khulna Power Company led the turnover chart with its shares worth BDT 124.17 crore changing hands.
- Summit Power, United Power Generation Company, Active Fine Chemicals, Olympic Industries, Silva Pharmaceuticals, IFAD Autos, Dragon Sweater, BBS Cables and Stylecraft Limited were the other turnover leaders. Meghna Cement Mills gained the most on the day with a 9.98-per cent increase in its share prices, while Stylecraft Limited was the worst loser, shedding 8.61%.

<http://www.newagebd.net/article/52871/dhaka-stocks-dip-amid-cautious-trading>

IPOs surge 194pc in nine months of 2018

11 firms raise BDT 5.01bn during Jan-Sept

The Financial Express, October 10, 2018

- Fund raising by companies through initial public offerings (IPOs) surged by 194% in the nine months of this year compared to the same period of the previous year. During January-September 2018, 11 companies raised a total of BDT 5.01bn through their respective IPOs, according to statistics from the Dhaka Stock Exchange (DSE).
- Moreover, the outlook appears to be bullish for the remaining part of the year as some companies, including Runner Automobiles and Esquire Knit Composite, are expected to launch their initial share-sale offers in the coming months.

Fund raised through IPOs in 2018			
Companies	Face value (Tk)	Premium (Tk)	Amount (Tk million)
Queen South Textile	10	---	150
Advent Pharma	10	---	200
Intraco Refueling	10	--	300
Bashundhara Papers	10	62	2,000
SK Trims	10	---	300
Aman Cotton	10	26	800
VFS Thread	10	---	220
M.L. Dyeing	10	---	200
Silva Pharma	10	---	300
Indo-Bangla	10	---	200
Kattali Textile	10	---	340

Source: DSE

- DSEX, the prime index of the DSE, eroded more than 876 points or 14% in the nine-month period of 2018. The companies follow two methods - fixed price and book building - in issuing IPOs in the country's capital market.
- The two companies that used the book building method during the period under review were Bashundhra Paper Mills and Aman Cotton Fibrous. Nine other companies that raised fund using the fixed price method were Queen South Textile, Advent Pharma, Intraco Refueling Station, SK Trims & Industries, VFS Thread Dyeing, M. L. Dyeing, Silva Pharmaceuticals, Indo-Bangla Pharmaceuticals and Kattali Textile.
- Most of the funds that have been raised during the period under review were for business expansion, repayment of loans and to support working capital requirements. During the January-September period of 2017, six companies raised an aggregate amount of BDT 1.70bn through IPOs. Of them, five companies used the fixed price method and one used the book-building method.
- The companies were Shepherd Industries (BDT 200mn), Nurani Dyeing (BDT 430mn), BBS Cables (BDT 200mn), Oimex Electrode (BDT 150mn) and Nahee Alumium Composite Panel (BDT 150mn) under the fixed price method. Aamra Networks raised BDT 562.50mn using the book-building method.

<http://thefinancialexpress.com.bd/stock/bangladesh/ipos-surge-194pc-in-nine-months-of-2018-1539148443>

Economy

NBR corporate tax receipt short of Q1 target on rate cut

New Age, October 11, 2018

- Corporate income tax collection by National Board of Revenue in first quarter of the current fiscal year fell BDT 292 crore short of target mainly because of cut in corporate tax rate by the government. Officials of the Large Taxpayers Unit (income tax) of NBR said along with reduction in corporate tax rate for banks and non-bank financial institutions, typical slow business scenario in the country in first quarters contributed to the shortfall in corporate tax collection.
- The government in the budget for the FY 2019 reduced corporate tax rate by 2.5% for both publicly traded and non-publicly traded banks and non-bank financial institutions. LTU managed to collect BDT 3,490 crore in July-September of the FY 2019 against the target of BDT 3,782 crore set for the period, they said.
- Corporate tax collection also grew only by 8.38% in the first quarter of the current fiscal year compared with that of the same period of last fiscal year when LTU collected BDT 3,220 crore in corporate tax. LTU got less corporate tax in the first installment paid in September by the banks and NBFIs, they said.
- The government set the corporate tax collection target at BDT 21,500 crore with 27% growth for LTU. Around 60% of LTU's annual collection comes from banks. Some 300 companies and business entities and 1,000 directors and owners of the companies pay tax at the LTU.

<http://www.newagebd.net/article/52867/nbr-corporate-tax-receipt-short-of-q1-target-on-rate-cut>

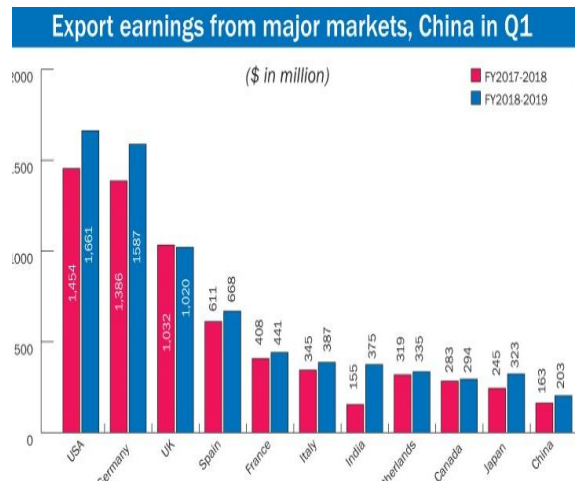
Export earnings from India skyrocket by 142pc in Q1

Earnings from US, Germany also shine

New Age, October 11, 2018

- Country's export earnings from neighbouring India posted a whopping 142% growth in the first quarter of the current fiscal year while the earnings from two major export destinations — the USA and Germany — also registered sizable growth. The readymade garment exports mainly drove the earnings growth in these countries in July-September of the financial year of 2018-2019, according to Export Promotion Bureau data released on Wednesday.

- Growth in export earnings from two major Asian countries — Japan and China — also turned around in the period after experiencing frustrating performances in last few months. Export earnings from India grew to \$375mn in the first three months of the current fiscal year from that of \$155mn in the same period of last fiscal year (2017-2018).
- Export of edible oils to the country also rose significantly to \$98mn from \$5mn, the EPB data showed. Country's export to the USA and Germany grew by 14.23% and 14.53% respectively in the quarter while export earnings from most of the European countries, except the UK, saw a modest growth by more or less 10%. Export to the UK witnessed a negative 1.16% growth to \$1,020mn from \$1,030mn due to dwindling demand following Brexit.
- They also termed the increased earnings from the US and major EU countries as a good sign hoping that the trend would continue in the coming months, particularly in the US market, driven by the trade war as US buyers had started considering Bangladesh as alternative sourcing destinations beyond China.
- The country fetched \$1,661mn in July-September of FY19 from export to the USA, the largest single export destination of Bangladesh, against \$1,454mn in the same period of FY18. Of which, RMG export brought \$1,484mn with 13.61% growth from the market in the period this year against \$1,306mn in the same period of last year. Bangladesh exported goods worth \$1,587mn so far this year which was \$1,386mn in the same period of last year. RMG export grew by 16.22% to \$1,503mn against \$1,293mn, the EPB data for the quarter showed.



<http://www.newagebd.net/article/52866/export-earnings-from-india-skyrocket-by-142pc-in-q1>

14 entities vie for one IGW licence

New Age, October 11, 2018

- Bangladesh Telecommunication Regulatory Commission has received 14 applications against only one international gateway operator licence. BTRC in a surprise move on September 19 invited applications for awarding the IGW licence in a saturated market amid political pressure at the fag end of the Awami Leage-led government's second consecutive term.
- Although the government has taken the initiative with a view to awarding only one licence to a specific entity, the number of licences to be awarded finally by the commission depends on decision from the government high ups, BTRC sources said. The process of awarding IGW licence had suspended since 2013.
- The commission opened the proposals on Wednesday after the expiry of application submission deadline. The applicants are: RA InfoTech, Solders Gears, Red Beach Resources, Avis Technologies, Roots Tech Communication, Infinity Telecom, Join Us Network, I Business Holdings, Padma Communication, Aman Tel, Level 3 Telecom, Well Information Tec, 2G Telecom and Rana Trading.
- The increase in the number of operators reduced the viability of the business, for which the government reduced its share of the revenue to 40%. Later, the operators created a cartel and increased the incoming international call routing rate to 2 cents per minute. However, they continued sharing revenue with the government at the previous rate of 1.5 cents per minute.
- Currently, calls of about 4.5 crore minutes in duration are coming in to the country every day. It was about 11 crore minutes on average every day in September, 2014. Despite the fall in international calls, the government in February

this year increased international call termination rate to 2.5 US cents from 2 US cents while operators were asked to share revenue with the government at 1.75 US cents per minute.

<http://www.newagebd.net/article/52869/14-entities-vie-for-one-igw-licence>

Bangladesh passport drops 5 notches in global rank

The Daily Star, October 11, 2018

- Bangladesh passport has slipped five notches to 100th position in 2018, according to a global ranking revealed by the Henley and Partners passport index. Bangladeshi passport bearers are sharing the position with Lebanon, Libya, and South Sudan. They are having visa-free access to 41 countries, according to the ranking released on October 9 by Henley and Partners, a US-based citizenship and planning firm.
- In 2017, Bangladesh was ranked 95th with access to 38 countries, the index said. The index said that passport of Japan ranked as the most powerful with visa-free access to 190 countries in the world.
- Japan ranked 5th in the previous year's ranking, the index said. Singapore, which had the 4th most powerful passport in 2017, moved up to second in the ranking in 2018 with access to 189 countries. Passports of France, Germany, and South Korea have been placed third in the 2018 ranking with visa-free access to 188 countries.
- War-ravaged Afghanistan and Iraq have been placed at the bottom of the ranking for 2018 at 105th position with visa-free access to 30 countries. The Henley Passport Index ranks all the passports of the world according to the number of countries that gives them visa-free access.
- The ranking is based on exclusive data from the International Air Transport Association, which maintains the world's largest and most accurate database of travel information, and is enhanced by extensive in-house research.

<http://www.newagebd.net/article/52906/bangladesh-passport-drops-5-notches-in-global-rank>

Post offices to make e-commerce delivery

The Daily Star, October 11, 2018

- Bangladesh Post Office will deliver parcels for online marketplaces to all parts of the country from now onwards, in a development that can be viewed as a shot in the arm for the e-commerce players
- Bangladesh's e-commerce market is now worth more than BDT 2,000 crore a year, with annual growth of 8 to 10%, according to industry insiders. The new delivery arrangement comes after the e-Commerce Association of Bangladesh (e-CAB) struck a deal with the postal division two years ago
- Since then, the e-CAB has trained a good number of delivery persons in about 100 post offices, including those in all the district headquarters, and conducted test runs in the capital last year with major e-commerce players like bagdoo, priyoshop, ajkerdeal and daraz.
- Yesterday, the e-CAB handed over 100 smartphones to the post office through which it can keep track of the packages booked for delivery by the e-commerce ventures. The e-commerce players will use the Bangladesh Post Office for deliveries outside of the major cities. The e-commerce platforms will have to drop off the packages at the post office for delivery to the customer. Currently, about 30,000 products bought from the online marketplaces are delivered every day.

<https://www.thedailystar.net/business/news/post-offices-make-e-commerce-delivery-1645474>

International

CVS, Aetna win US approval for \$69b merger

The Daily Star, October 11, 2018

- Pharmacy chain CVS Health Corp won US antitrust approval for its \$69bn acquisition of health insurer Aetna Inc, the Justice Department said on Wednesday, paving the way for a combination the companies say can help cut soaring US healthcare costs.
- It is the second large recent healthcare deal to win a thumbs up from the US Justice Department. The agency gave the green light to health insurer Cigna Corp's \$52bn acquisition of the nation's largest pharmacy benefit manager (PBM), Express Scripts Holding Co, on Sept. 17.
- Shares of CVS and Aetna each rose about 1% on Wednesday, a day when the broader market was sharply lower, with CVS trading at \$80.25 and Aetna at \$206.00. The deal was approved on condition that the company's sell Aetna's Medicare Part D prescription drug business, the Justice department said.
- Aetna last month said it would sell all of its standalone prescription drug plans for the government Medicare program for Americans aged 65 and older and the disabled to WellCare Health Plans Inc, paving the way for the deal's approval. Without the divestiture the two companies would have owned more than a 30% share of the Medicare Part D drug plans, creating concern about the amount of control the new CVS would have had over the Medicare prescription drug market.

<https://www.thedailystar.net/business/news/cvs-aetna-win-us-approval-69b-merger-1645459>

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