

## Stock Market

### Stocks drop for 3rd day as electioneering begins

New Age, December 11, 2018

- Dhaka stocks dipped for the third session on Monday as surging defaulted loans in the country's banking sector dampened the mood of investors who also remained watchful ahead of the December 30 national election. DSEX, the key index of Dhaka Stock Exchange, shed 0.19 %, or 10.53 points, to close at 5,295.69 points on Monday. The DSEX lost 65.4 points in last three sessions.
- Average share prices of textile, energy, telecommunication and non-bank financial institution dropped by 2.0 %, 1.4 %, 0.7 % and 0.3 % respectively. Share prices of Information Services Network dropped by 10 %, the highest limit for the day, as the company informed that its shareholders at the annual general meeting on Sunday unanimously approved no dividend for the financial year ended June 30, 2018.
- The board of directors of the company earlier declared 1 % cash and 4 % stock dividend for the year. But the meeting was informed that as per the audited financial statements, the company did not have positive consolidated retained earnings and therefore declaration/disbursement of any dividend to the shareholders would be a violation of the relevant order of the market regulator.
- Average share prices of food, bank and pharmaceuticals gained 1.0 %, 0.2 % and 0.1 % respectively. The pharmaceutical sector led the turnover on Monday by holding 24.3 % of the day's total turnover. Of the 336 companies and mutual funds traded on Monday, 198 declined, 110 advanced, and 36 remained unchanged. DSE blue-chip index DS30 also dropped by 0.32 %, or 5.97 points, to close at 1,849.69 points.
- Shariah index DSES lost 0.18 cent, or 2.27 points, to finish at 1,219.77 points. Wata Chemicals led the turnover leaders with its shares worth BDT 20.94 crore changing hands. Square Pharmaceuticals, Pharma Aid, Khulna Power Company, National Tea Company, United Power Generation Company, JMI Syringes & Medical Devices Sonali Aansh, Dragon Sweater and Indo-Bangla Pharmaceuticals were the other turnover leaders.

<http://www.newagebd.net/article/58557/stocks-drop-for-3rd-day-as-electioneering-begins>

### 12 banks face provision shortfall of BDT 10,834cr

The Daily Star, December 11, 2018

- Twelve banks altogether faced provisioning shortfall of BDT 10,834 crore in the third quarter the year, creating a risk of moral hazard for the entire banking sector. As per Bangladesh Bank regulations, banks have to keep 0.50 % to 5 % provisioning against general category loans, 20 % against classified loans of substandard category, 50 % against classified loans of doubtful category, and 100 % against classified loans of bad or loss category.
- The banks are: Sonali, Agrani, Rupali, BASIC, AB, Bangladesh Commerce, Mutual Trust, National, Premier, Social Islami, Shahjalal Islami and Standard. Mansur, a former economist of the International Monetary Fund, went on to suggest the central bank to put an embargo on the banks' directors from taking any profit to curb the problem. The banks will keep aside their operational profits to maintain provisioning shortfall in line with the macro-prudential regulations of the central bank.
- At the end of September, non-performing loans in the banking sector nearly hit BDT 1 lakh crore, up 11.23 % from three months earlier.

<https://www.thedailystar.net/business/news/12-banks-face-provision-shortfall-BDT-10834cr-1672093>

## Bengal Windsor director to sell 3.20m shares

The Financial Express, December 10, 2018

- A sponsor-director of Bengal Windsor Thermoplastic Limited has declared to sell 3.20 mn shares out of his total holding of 27.44 mn shares of the company at prevailing market price. Humayun Kabir, one of the sponsors-directors of the company, will sell the said amount of shares in the block market through Dhaka Stock Exchange (DSE) within next 30 working days, said an official disclosure on Monday.
- Each share of the company, which was listed on the DSE in 2013, closed at BDT 28.60 on Sunday. In the last one year, its share traded between BDT 26 and BDT 45.90. The company also disbursed 10 % stock dividend in 2017. The company's paid-up capital is BDT 914.76 mn and authorised capital is BDT 1.0 bn, while the number of securities is 91.47 mn.
- The sponsor-directors own 58.91 % stake in the company, while institutional investors own 26.98 %, and the general public 14.10 % as on November 30, 2018.

<http://thefinancialexpress.com.bd/stock/bengal-windsor-director-to-sell-320m-shares-1544420978>

## Company profile

### MJL Bangladesh witnesses steady growth in five yrs

The Financial Express, December 10, 2018

- MJL Bangladesh, country's largest lubricant company, has exhibited a steady growth in revenue earning and dividend disbursement, among others, in last five consecutive years through 'operational excellence'. During the period, the company registered growth rates between 1.88 % to 39 % in revenue earnings based on a 'loyal' and 'productive' force.
- For the year ended on June 30, 2018, the company has reported a consolidated net profit

Year	Revenue (billion)	Net Profit (Tk)	NAV per share	EPS (Tk)	Dividend
2013-14	Tk 7.75	0.884 million	Tk 32.63	3.77	25pc
2014-15	Tk 8.55	0.829 million	Tk 32.89	3.61	30pc
2015-16	Tk 10.04	1.72 billion	Tk 33.85	5.71	40pc
2016-17	Tk 13.98	Tk 2.15 billion	Tk 34.93	6.95	45pc
2017-18	Tk 17.52	2.29 billion	Tk 37.49	7.0	50pc

Source: Annual Report of MJL Bangladesh

- of above BDT 2.29 bn, which was 7.0 % higher than the revenues calculated in previous year. Except 2014-15, the company's earnings per share (EPS) gradually rose during 2013-14 to 2017-18 following the increased net profits.
- The company's EPS was BDT 3.77 in 2013-14, BDT 3.61 in 2014-15, BDT 5.71 in 2015-16, BDT 6.95 in 2016-17 and BDT 7.0 in 2017-18. A steady growth was also observed in dividend disbursement in last five year. MJL Bangladesh disbursed 25 % dividend in 2013-14, 30 % in 2014-15, 40 % in 2015-16, and 45 % in 2016-17.
- The company possesses significant ownership in two companies, which are its subsidiaries - Omera Petroleum Limited (62.50 % share) and Omera Cylinders Limited (98.77 % share). According to annual report, the MJL Bangladesh has 4,500 active industrial customers, 13,500 active retail customers and above 1,000 digital sales customers.
- The auditor said the net profit after tax of the Group as well as of the company would have been decreased by BDT 157.77 mn and BDT 116.46 mn respectively if the provisions for WPPF were made in these financial statements. MJL Bangladesh, presently an 'A' category company, was listed with the stock exchanges in 2011.

## TENURE EXTENSION

### Investors lose confidence in mutual funds

The Daily Star, December 11, 2018

- The extension of closed-end mutual funds' tenure further sapped investors' confidence in the sector, with almost BDT 430 crore lost since the decision came into effect on September 16. Closed-end mutual funds are investment funds that gather a fixed amount of money at regular intervals from a number of investors over a decade and re-invest them into stocks, bonds and other assets.
- Once the fund reaches maturity, the assets are distributed among investors. In a baffling move, the Bangladesh Securities and Exchange Commission (BSEC) announced on September 16 that fund managers can extend the tenure by ten years.
- The sector has already been suffering from low investor confidence; the decision, which came following the government's order, could be another nail in the coffin. Thanks to the BSEC decision investors will now have to wait for another ten years to get profits from mutual funds. Of the listed 37 funds, 33 traded at lower than their face value yesterday.

<https://www.thedailystar.net/business/news/investors-lose-confidence-mutual-funds-1672084>

## Auditors see incomplete information in Central Pharmaceuticals

### Gross assets, gross liabilities overstated

The Financial Express, December 10, 2018

- The auditor has issued 'qualified' status on Central Pharmaceuticals for incomplete information found in the company's audit report for the year ended on June 30, 2018. According to basis of qualified opinion, the company's gross assets and gross liabilities are overstated as advance tax and liabilities for tax remain 'unadjusted' in the accounts.
- It also said provision for bad debt was not made in the accounts. The company's long term loan has not been properly segregated into current portion and long term portion. The auditor also said the bank accounts of the company have been frozen by the tax authority demanding tax liability worth above BDT 93.08 mn.
- Central Pharmaceuticals, presently an 'A' category, was listed with the stock exchanges in 2013. The board of directors has recommended 5.0 % stock dividend for the year ended on June 30, 2018. The company's sponsor-directors hold 25.89 % shares, institutes 13.42 %, and general public 60.69 % as of October 31, 2018. The company's share price closed at BDT 15.20 each on Thursday with a marginal loss of 5.56 % or BDT 0.90 on the Dhaka Stock Exchange (DSE).

<http://thefinancialexpress.com.bd/stock/auditors-see-incomplete-information-in-central-pharmaceuticals-1544330467>

## Bangladesh sees rise in export earnings

New Age, December 10, 2018

- Bangladesh has earned \$1707.37 crore in the first five months (July-November) of the ongoing fiscal year which is 12.07 per cent higher than the target amount of \$1523 crore, thanks to the readymade garments sector. During the same period in 2017-18 fiscal the export earnings was \$1456 crore. It means the earning is 17.24 per cent higher than the previous fiscal year.

- According to the available data of Export Promotion Data the earning in November was \$342 crore which is 11.94 per cent higher than the previous year. Last year, the earning was \$305 crore. The earnings from the RMG during the period was \$1418.62 crore, the highest one as usual. The target for the sector was \$1276.96 crore.
- The export of agri-products saw a huge jump in the first five months of the running fiscal with 77 per cent growth. The export earning from the sector is \$45.86 crore. The growth for plastic products is 30 per cent than the same period of the last fiscal. The earnings from the plastic products is \$4.87 crore which is 24.81 per cent higher than the target.
- But the earnings from the jute and jute products, and leather and leather good saw a negative growth of 22 and 16 per cent respectively in the first five months of the current fiscal. Jute and jute goods fetched \$35.15 crore while leather and leather goods bagged \$43.47 crore.
- In the last fiscal (2017-18) Bangladesh earned \$3666.82 crore from exporting various types of goods. Of the total number, \$3061 crore came from the RMG sector. In 2018-19 fiscal, the total export target has been fixed at \$3900 crore, which is four per cent higher than the previous year.
- The export target was set after considering the world economic outlook, policy changes at important export destinations, stakeholder feedback, supply chain capacity, changes in exchange rates, and global business trends. Of the total target, \$3269 bn or 83.49 per cent is expected to come from the apparel sector.

<http://www.newagebd.net/article/58522/bangladesh-sees-rise-in-export-earnings>

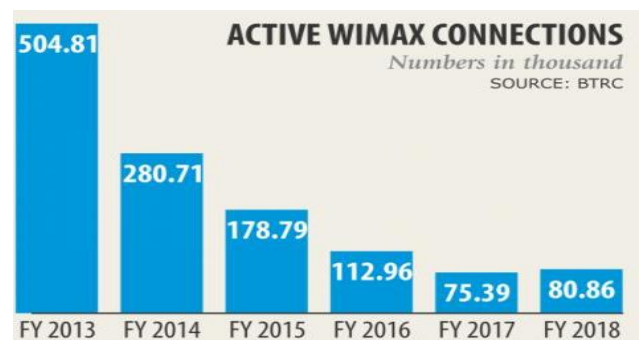
## Economy

### BTCL's WiMax gamble

#### The state-run firm forks out BDT 215cr for the obsolete technology's licence

The Daily Star, December 11, 2018

- State-run Bangladesh Telecommunications Company Limited is set to get the licence for the globally obsolete technology WiMax, in what can be viewed as a naïve gamble seeing the current operators are struggling to log in profits.
- The venture would cost the state coffer at least BDT 500 crore: BDT 215 crore already paid to obtain the licence and another few hundred crore would be spent on service rollout. The outlay by the loss-making government company would have been justified were the technology still relevant: even the vendors have stopped manufacturing WiMax equipment around the world.
- In Bangladesh, the three WiMax operators lost 84 % of their customers in the last five years and failed to make profit amid the onslaught of high-speed mobile internet. The number of WiMax users reached a peak of 5.05 lakh in June 2013, just before the mobile operators rolled out 3G service. As of June, the number stands at 80,860.
- The limited coverage of WiMax is the major reason behind the shrinking user base: the service is mostly available in cities whereas mobile internet is available all over the country. The Bangladesh Telecommunication Regulatory Commission had offered the licence to the state-owned landline operator back in 2008 but it declined.
- Two companies, Banglalion Communications and Augere Wireless Broadband Bangladesh, snapped up the licence in an open auction then and rolled out their service in 2009. Qubee, once the second-largest operator, had only 16,211 active subscribers in June, down from 1.25 lakh during its heyday in 2013.



- As of June, Banglalion, which boasted about 4 lakh subscribers at its peak in June 2013, has 28,619 subscribers. Augere Wireless Broadband Bangladesh's Qubee has 16,211 active subscribers, down from 1.25 lakh in its heyday in 2013.

<https://www.thedailystar.net/business/news/btcls-wimax-gamble-1672099>

## **Govt approves 52 more firms for assessment**

New Age, December 11, 2018

- The government has listed 52 more engineering firms to conduct detailed engineering assessment on fire and electrical faults in readymade garment factories under a national initiative to ensue engineering support for factories with the aim of expediting remediation works.
- In a recent circular the Department of Inspection for Factories and Establishments disclosed the names of the firms under which the factory authorities would have to develop fire and electrical remediation plans for their units. Earlier, the DIFE nominated 26 engineering firms for conducting structural DEA and 19 others for fire and electrical DEA.
- Factory owners filed compliant with the DIFE that they were facing problems for developing fire and electrical remediation designs as the government had selected very few firms for the task, Md Shamsuzzaman Bhuiyan, inspector general of DIFE told New Age on Monday.
- Following the Rana Plaza building collapse in April 2013 that killed more than 1,100 people a total of 3,780 garment factories were assessed under the three initiatives — European retailers' platform Accord, North American buyers' platform Alliance and the government-led and ILO-supported national initiative.
- Out of the 3,780 garment factories, 1,549 were inspected under the national initiative. Of them, 531 were closed, 69 relocated and 193 transferred to Accord and Alliance lists. The government under the support of ILO formed a Remediation Coordination Cell to look into the remediation works in the factories assessed under national initiative.
- International Labour Organisation hired Bureau Veritas, an international testing, inspection and certification agency, to support the capacity of Remediation Coordination Cell while the government appointed 60 engineers in the RCC to expedite remediation works.

<http://www.newagebd.net/article/58566/govt-approves-52-more-firms-for-assessment>

## **IHG re-enters B'desh opening InterContinental Dhaka**

New Age, December 11, 2018

- InterContinental Hotels Group, one of the world's leading hotel companies, has announced the opening of InterContinental Dhaka in partnership with Bangladesh Services Limited, said a press release on Monday. The luxury hotel is situated at Mintoo Road in Dhaka.
- With opening of InterContinental Dhaka, IHG aims to provide the discerning travellers the best in luxury in its signature style, the release also said. Built in a contemporary design, the hotel offers 226 stylish guest rooms, including 201 premium or deluxe rooms, 10 deluxe suites, 5 superior suites, 5 diplomatic suites and 5 presidential suites.
- InterContinental Dhaka also offers 2 exquisitely designed ballrooms and 7 spacious meeting rooms equipped with the latest technology. InterContinental Dhaka features unrivalled facilities and amenities including a temperature-controlled swimming pool overlooking Ramna Park, a gymnasium, a steam room, a sauna and a spa offering an extensive menu of signature therapies.

- The hotel also offers the dining options with an array of local and world cuisines including an indulgent all-day dining, a speciality restaurant, a café in the lobby and a pool bar. Guests can also enjoy carefully curated cocktails and canapés at the Club bar and restaurant, the release also said.
- IHG is currently operating 32 hotels across SWA under the brands InterContinental Hotels & Resorts, Crowne Plaza Hotels & Resorts, Holiday Inn Hotels & Resorts and Holiday Inn Express and is aiming for rapid expansion with a strong pipeline of 60 hotels across cities, said the release.

<http://www.newagebd.net/article/58546/ihg-re-enters-bdesh-opening-intercontinental-dhaka>

## International

### May is said to withdraw parliamentary vote

New Age, December 11, 2018

- British prime minister Theresa May abruptly decided on Monday to pull a parliamentary vote on her Brexit deal, throwing Britain's plan to leave the European Union up in the air on the eve of the vote after repeated warnings from lawmakers she faced a rout.
- While there was no immediate official announcement, the decision to halt the vote set for Tuesday was widely reported and not denied. Two sources told BBC political editor Laura Kuenssberg the vote was being pulled. A Financial Times reporter said an official close to the cabinet had confirmed it.
- The move thrusts the United Kingdom's divorce from the European Union into chaos, with possible options including a disorderly Brexit with no deal, another referendum on EU membership, or a last minute renegotiation of May's deal. A small Northern Irish party which props up May's Conservative minority government called the situation a shambles. Scottish nationalists pledged to support a vote to bring the government down.
- The decision to halt the vote came just hours after the EU's top court ruled that Britain could unilaterally withdraw its decision to leave the bloc on March, 29. May's government called that ruling meaningless because Britain has no intention to halt Brexit. But critics of her plans said it opens options, including delaying the exit for more talks, or calling it off if voters change their minds.
- After repeated warnings that the December 11 vote in parliament would humiliate her government as opponents and supporters of Brexit joined in opposition to her deal, May convened a conference call with senior ministers on Monday. She was due to give a statement to parliament at 1500 GMT on 'Exiting the EU.' Afterwards, the leader of the House of Commons, Andrea Leadsom, who organises business in parliament on the government's behalf, was due to speak.
- If May stays in power, she could seek to get a better deal from the EU at a summit on December 13-14, in the hope of putting it before parliament at a later date. Brexit is seen as Britain's most significant decision since World War Two. Supporters say it frees Britain to trade more widely with the rest of the world; opponents fear it will divide the West as it grapples with the unconventional presidency of Donald Trump and growing assertiveness from Russia and China.

<http://www.newagebd.net/article/58569/may-is-said-to-withdraw-parliamentary-vote>



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## 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

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