

Stock Market

Weekly analysis: Stocks retreat after one-week rise

Market-supportive measures fail to lure back investors

The Financial Express, May 11, 2019

- Even as the government took some market-supportive measures, stocks slipped back into the red in the outgoing week after a one-week break. Thursday was the last trading day of the week. The week saw five trading days as usual. Of them, two sessions closed positive while three other sessions witnessed correction.
- Week on week, the DSEX, the prime index of the Dhaka Stock Exchange (DSE), settled 10.92 points or 0.21 % lower at 5,275, after gaining 20 points in the previous week which snapped the 13-week losing streak.
- After the DSEX eroded 775 points in those 13 weeks, the government took a set of market-supportive measures to lift the investors' sentiment. Two other indices of the premiere bourse also slipped into the red in the outgoing week.
- The total turnover stood at BDT 21.45 bn, up from BDT 15.33 bn in the week before. The daily turnover averaged out at BDT 4.28 bn, registering an increase of 12 % over the previous week's average of BDT 3.83 bn.
- The large-cap sectors showed mixed performances. Among the major sectors, telecommunications posted the highest loss of 1.41 %, followed by pharmaceuticals (0.90 %), and non-bank financial institutions (0.10 %).
- The engineering sector witnessed the highest gain of 0.67 %, followed by the power (0.29 %) and banking sectors (0.34 %). The market capitalisation of the DSE also fell 0.07 % to BDT 3,885 bn on Thursday, down from BDT 3,888 bn in the week before.
- Fortune Shoes dominated the turnover chart, with 34.69 mn shares worth BDT 1.33 bn changing hands. The company accounted for 6.20 % of the week's total turnover. The National Feed Mill was the week's best performer, posting a gain of 23.76 % while Eastern Bank became the worst loser, plunging 18.06 %.

<http://thefinancialexpress.com.bd/stock/weekly-analysis-stocks-retreat-after-one-week-rise-1557548743>

DSE to scrutinise financial statement of Coppertech

The Financial Express, May 10, 2019

- The Dhaka Stock Exchange (DSE) has decided to scrutinise the financial statement of Coppertech Industries, now awaiting listing on the country's bourses. The decision came at a board meeting of the premier bourse on Thursday following a plea made by the DSE Brokers Association of Bangladesh (DBA).
- The DBA also urged the DSE to remain careful so that no wrong information about the listed companies is posted on the DSE website. The DBA also called on the DSE to look into the issues and take necessary measures to protect the interest of the market as well as investors.
- The Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech Industries on December 26, 2018, to raise a capital of BDT 200 mn under the fixed-price method.

<http://thefinancialexpress.com.bd/stock/dse-to-scrutinise-financial-statement-of-coppertech-1557461007>

Multinational companies gain in earnings per share

Dhaka Tribune, May 09, 2019

- Most of the listed multinational companies have reported higher earnings per share (EPS) in 2018 compared to the previous year.
- Nine out of 11 multi-nationals have so far disclosed their earnings on the Dhaka Stock Exchange (DSE) website for the year ended on December 31, 2018.
- Six companies have registered healthy EPS growth, according to their audited reports. However three companies registered negative growth in their EPS during the January-December 2018 period, compared to the same period in 2017.
- The companies whose EPS increased are Grameenphone, British American Tobacco Bangladesh (BATB), Linde Bangladesh, Heidelberg Cement, LafargeHolcim and Singer Bangladesh. As per its audited financial statement, GlaxoSmithKline (GSK) Bangladesh saw the highest fall in loss per share to BDT52.75 in 2018, which was BDT55.56 in 2017.
- BATB on the other hand registered the highest EPS at BDT166.87, which was BDT130.50 previously. The company has given 500% cash and 200% stock dividend to its shareholders.

<https://www.dhakatribune.com/business/stock/2019/05/11/multinational-companies-gain-in-earnings-per-share>

Sea Pearl IPO lottery draw May 23

The Financial Express, May 10, 2019

- Initial Public Offering (IPO) lottery draw of Sea Pearl Beach Resort & Spa Ltd will be held on May 23 to allocate 15 mn ordinary shares among the successful applicants, officials said. The lottery draw will be held at 10:30am at The AGB Colony Community Centre in Motijheel area of Dhaka.
- The results will be published on the websites of Dhaka Stock Exchange (DSE), Chittagong Stock Exchange (CSE) and the company after the lottery draw. The Sea Pearl Beach Resort raised a fund worth BDT 150 mn from the capital market by floating 15 mn ordinary shares at a face value of BDT 10 each using the fixed price method.
- The subscription for shares of the company by the eligible investors through electronic subscription system was held between April 23 and May 06. The company's pre-IPO paid-up capital is BDT 1.0 bn and authorised capital is BDT 2.0 bn.
- The company will use the IPO fund for interior, finishing, furniture & fixture (157 rooms) 71.22 %, acquisition of land 17.77 %, and bearing the IPO expenses 11.01 %.

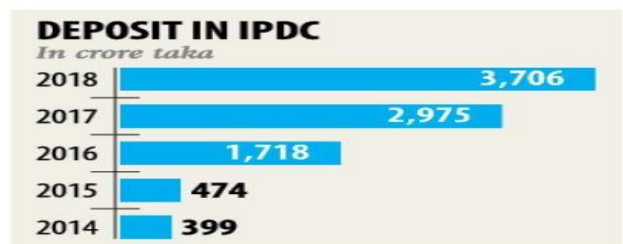
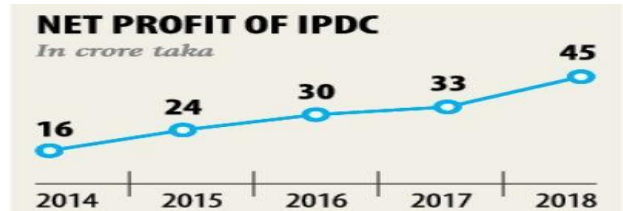
<http://thefinancialexpress.com.bd/stock/sea-pearl-ipo-lottery-draw-may-23-1557376957>

IPDC on a roll

Innovative business models paid off, says its managing director

The Daily Star, May 12, 2019

- When a majority of financial institutions are struggling with default loans and a lack of corporate governance, IPDC Finance Ltd has achieved stellar success by rolling out a raft of successful business models.
- The classified loan now stands at only 1.20 % of its total outstanding loans of BDT 4,700 crore, far below the NBFI sector's average NPL of 10.50 %.
- The volume of loans and deposits rose to BDT 4,432 crore and BDT 3,707 crore respectively in December last year, up from BDT 567 crore and BDT 399 crore four years ago. IPDC enjoyed a healthy net profit of BDT 45 crore last year, up 34.16 % from a year ago and 172 % from four years earlier
- The NBFI has now decided to go big in the housing sector with a view to bettering its success, by providing loans to underprivileged clients living in the remotest parts of the country. IPDC will increase its home loan to BDT 3,500 crore in contrast to around BDT 700 crore disbursed as of March this year.
- IPDC has started to lend to people living outside of Dhaka and Chattogram. People from the lower middle-income group such as school teachers, nurses, and security guards will turn into our core clients if the roadmap is implemented.
- IPDC is still focusing on the SME sector as it has a great role in generating new jobs and 30 % of its total outstanding loans have so far given out to the small and medium entrepreneurs.



<https://www.thedailystar.net/business/news/ipdc-roll-1742176>

Premier Bank to issue BDT 5.0b bond

The Financial Express, May 10, 2019

- The board of directors of Premier Bank Limited has decided to issue additional non-convertible subordinated bond of BDT 5.0 bn, said an official disclosure on Thursday. The bank will issue the bond only for raising fund to have regulatory capital support of the bank under Tier-2 category of BASEL III, according to the disclosure.
- The issuing of bonds is subject to the approval of the regulatory authorities — Bangladesh Bank (BB) and Bangladesh Securities and Exchange Commission (BSEC), the disclosure added further. Each share of the bank, which was listed on the Dhaka Stock Exchange (DSE) in 2007, closed at BDT 11 on Wednesday.
- Its share traded between BDT 9.70 and BDT 17.70 in the last one year. The bank's consolidated earnings per share (EPS) stood at BDT 0.57 for January-March period of 2019 as against BDT 0.39 for January-March period of 2018.

- The consolidated net operating cash flow per share (NOCFPS) was BDT 0.66 for January-March 2019 as against BDT 0.64 for the same period last year. The consolidated net asset value (NAV) per share was BDT 19.83 as on March 31, 2019 and BDT 16.79 as on March 31, 2018.

<http://thefinancialexpress.com.bd/stock/premier-bank-to-issue-BDT-50b-bond-1557381645>

DSE to launch one-stop data exchange services

New Age, May 12, 2019

- The Dhaka Stock Exchange has planned to launch a one-stop data exchange solution agency styled as Financial Data Exchange Platform for the regulators, stock exchanges and other core market institutions including brokerage houses, commercial banks, asset management companies and market intermediaries.
- The decision came following a proposal by a Chinese consortium comprising the Shenzhen Stock Exchange and the Shanghai Stock Exchange, DSE's strategic partners, the bourse's officials said. The Shenzhen Stock Exchange will provide the DSE with a 10-year right to use of the FDEP suite of software including e-mail, telephone-based support services as per its technological support.
- The Chinese consortium of the Shenzhen and Shanghai stock exchanges on September 4 joined the DSE as its strategic shareholder by purchasing 25 % shares of the Bangladesh's premier bourse for BDT 947 crores. The consortium offered technical assistance to the DSE worth over \$37 mn.

<http://www.newagebd.net/article/72128/dse-to-launch-one-stop-data-exchange-services>

Economy

Denim prospects brighten

Research pins high hopes on Bangladesh as global consumption rises

The Daily Star, May 12, 2019

- Global consumption of denim fabric increased at a compound annual growth rate of 4.77 % between 2012 and 2016 because of a significant rise in its uses, indicating a brighter future for Bangladesh, says a global market research firm.
- The consumption was 6,618.1 mn metres in 2016 against 5,493.7 mn metres in 2012, said the firm, Market Insights Reports, in a report launched of late. In 2016, the market was led by China, India, Europe and North America. At present, the major manufacturers of denim fabric are concentrated in China and India.
- The sales of the global denim fabric market are predicted to reach 9,130.1 mn metres in 2023, with a CAGR of 4.7 %, Market Insights Reports said. The global denim fabric market was valued at \$19.70 bn in 2018 and will reach \$25.40 bn by 2025, growing at a CAGR of 3.2 %.
- The report was based on a study, whose objectives were to define, segment and project the size of the denim fabric market based on company, product type, end user and key regions. The report studied the global market size of denim fabric in key regions like North America, Europe, Asia-Pacific, Central and South America and the Middle East and Africa alongside focusing on their consumption.

- Local suppliers can meet only 40 % of Bangladesh's annual demand for denim fabric and the rest is met through imports from China, India and Pakistan. Last fiscal year, Bangladesh exported denim goods worth \$3 bn.

<https://www.thedailystar.net/business/news/denim-prospects-brighten-1742335>

Higher import payments strain forex reserves

The Financial Express, May 11, 2019

- The country's foreign exchange reserves have come under pressure after higher external payments against import of oil and construction materials for mega projects. After the payment, the country's forex reserves reached \$30.99 bn on the day from \$32.19 bn of the previous working day, according to the central bank's latest statistics. It was \$31.02 bn on Thursday.
- The highest \$33.68 bn reserves were recorded on September 05, 2017. Bangladesh will be able to meet more than five months import payment bills with the existing reserves, the officials added. The country's overall imports have advanced by more than 7.0 % in the first nine months of the current fiscal, following higher imports of intermediate goods and oil.
- The actual import in terms of settlement of letters of credit (LCs) rose to \$41.22 bn during the July-March period of FY 19 from \$38.41 bn in the corresponding period of the last fiscal, the central bank data showed. Import of intermediate goods such as coal, hard coke, clinker and scrap vessels jumped by 39.42 % to \$4.16 bn during the period from \$2.98 bn in the same period last year.
- Higher import of oil also drove up the overall import expenses during the period under review, according to the official. The import of petroleum products, including liquefied natural gas (LNG) soared by 25.43 % to \$2.81 bn in the first nine months of FY 19 from \$2.24 bn in the same period last fiscal.

<http://thefinancialexpress.com.bd/economy/bangladesh/higher-import-payments-strain-forex-reserves-1557546490>

International

Etihad submits bid for Jet Airways, eyes minority stake

The Daily Star, May 12, 2019

- Middle Eastern carrier Etihad Airways has submitted a bid for a stake in India's Jet Airways, the unit of State Bank of India (SBI) overseeing the sale of the stricken airline said on Friday. SBI had invited binding bids for a stake in the airline, which is saddled with roughly \$1.2 bn in bank debt. Binding offers were due by 1800 IST (1230 GMT) on Friday.
- Etihad, which already holds a minority stake in Jet, is interested in re-investing in the airline, subject to certain conditions, a spokesman for the Middle Eastern carrier said earlier on Friday.
- However, he added that Etihad 'cannot be expected to be the sole investor' and 'additional suitable investors would need to provide the majority of Jet Airways' required recapitalisation.' Etihad gave no indication whether it was working with any other investors that might take a majority stake in Jet.

- Etihad was among four investors that submitted initial bids for the airline last month. The others were private equity firms TPG Capital and Indigo Partners and Indian wealth fund National Investment and Infrastructure Fund (NIIF).
- When Jet failed to garner interest, the banks, led by SBI, moved in with a rescue plan which was first announced in February and put into action in March after Goyal stepped down. Analysts are sceptical the sale process will succeed.
- At its peak, 26-year-old Jet operated over 120 planes and well over 600 daily flights, flying Bollywood film-stars, politicians and business tycoons across India and the world. If a deal fails to materialise, the airline could be dragged into bankruptcy by creditors, putting thousands of jobs at risk.

<http://www.newagebd.net/article/72130/etihad-submits-bid-for-jet-airways-eyes-minority-stake>

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