

## Stock Market

### DSE decides in principle to delist 4 junk cos

New Age, February 13, 2019

- The board of Dhaka Stock Exchange on Tuesday decided in principle to delist four junk companies and send them to over the counter market. DSE will soon seek approval from Bangladesh Securities and Exchange Commission to delist Meghna Pet Industries, Meghna Condensed Milk Industries, Imam Button and Savar Refractories, all loss-making and failed to give any dividends to investors for years, said officials.
- Earlier in September 2018, the bourse conducted physical investigations at the offices and factories of the four companies and found little activities there. The bourse also found that there was no hope that the companies could improve business and could provide dividends in near future.
- Kay & Que, another company which the DSE also investigated, has been saved as the company declared dividends for the financial year 2017-2018. The four companies, which are facing delisting, are among the 15 companies which are being reviewed by DSE.
- The other 10 companies are ICB Islamic Bank, Dulamia Cotton Spinning Mills, Samata Leather Complex, Shyampur Sugar Mills, Zeal Bangla Sugar Mills, Beximco Synthetics, Jute Spinners, Shinepukur Ceramics, Sonargaon Textiles and Information Services Network. Earlier in July 2018, DSE delisted Rahima Food Limited and Modern Dying and Screen Printing Limited.

<http://www.newagebd.net/article/64636/dse-decides-in-principle-to-delist-4-junk-cos>

### MNCs lead Dhaka stocks fall again

New Age, February 13, 2019

- Dhaka stocks inched down on Tuesday, stretching the losses to third day, as heavy fall in share prices of multinational and insurance companies outweighed gains of other sectors.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.03 %, or 1.95 points, to close at 5,731.95 points on Tuesday. The DSEX lost 80 points in the last three sessions. The share prices of Grameenphone plunged for second day after Bangladesh Telecommunication Regulatory Commission declared GP as significant market power.
- GP shares dropped 2.26 % on Tuesday. Investors became concerned about the implication of the BTRC announcement as the media also reported that the commission would impose conditions on GP for running its business as SMP.
- The other multinational companies also followed the falling trend of GP after a surge in their share prices in recent times. Average share prices of general insurance and life insurance also plunged by 2.4 % and 1.7 % respectively after a huge gain in the previous day.
- The performance of bank and non-bank financial sectors was mixed amid investors' cautious move ahead of the announcement of their annual dividend and looming March 31 deadline for adjustment of their advance deposit ratio. IPDC corporate directors Aga Khan Fund for Economic Development on the day sold 1,96,34,473 shares out of its total holding of 2,41,11,549 shares of the company at BDT 38 per share (in the block market) through DSE.
- On the other hand, surge in share prices of textile and engineering sectors by 1.6 % and 0.7 % respectively saved the market from further fall. Out of the 53 traded textile scrips, 44 advanced, 7 declined and 2 remained unchanged. Some small capitalised scrips including Stylecraft, Monno Jute Stafflers, Renwick and Jaineswar and Monno Ceramics kept surging on the day.

- The turnover on DSE advanced to BDT 901.39 crore on Tuesday compared with that of BDT 719.13 crore in the previous trading session. Of the 336 companies and mutual funds traded on Tuesday, 148 declined, 155 advanced and 45 remained unchanged. DSE blue-chip index DS30 lost 0.16 %, or 3.22 points, to close at 1,999.79 points. Shariah index DSES shed 0.15 %, or 2.05 points, to finish at 1,309.57 points.
- Fortune Shoes led the turnover leaders with its shares worth BDT 76.57 crore changing hands on the day. United Power Generation Company, Bangladesh Submarine Cable Company, Monno Ceramics, Grameenphone, Monno Stafflers, Nurani Dyeing, Paramount Textile, SK Trims Industries and Genex Infosys Limited were the other turnover leaders.

<http://www.newagebd.net/article/64637/mnecs-lead-dhaka-stocks-fall-again>

## BSEC to scrap licences of errant market players

*Its chief warns afresh, hints at changes in book-building method*

The Financial Express, February 13, 2019

- Bangladesh Securities and Exchange Commission (BSEC) will scrap licences of the errant merchant banks, brokerage houses and dealers, its Chairman Dr M Khairul Hossain reiterated the warning on Tuesday. Speaking as the chief guest at a seminar, the BSEC chief said they have information that many brokerage houses and dealers are not performing their duties duly.
- The BSEC chairman said there are some merchant banks, which got licences many years ago, but failed to issue any IPO (initial public offering) until now. The seminar titled 'Role of capital market in long-term finance' was jointly organised by Businesshour24.com and DSE Brokers Association (DBA) at a city hotel.
- Hinting at some possible changes in the existing book-building (BB) method, the securities regulator chief said they have seen institutional investors buying shares at the cut-off price although their initial bidding offer was much higher.

<http://thefinancialexpress.com.bd/stock/bsec-to-scrap-licences-of-errant-market-players-1550028146>

## Bashundhara to invest BDT 447cr to boost cement production

The Daily Star, February 13, 2019

- Bashundhara Industrial Complex, the cement manufacturing arm of Bashundhara Group, is set to expand its production capacity with a view to meeting the fast-growing demand for the construction material amid mega project-implementation spree.
- Located in Madanganj of Narayanganj, the factory's production capacity at present is 21 lakh tonnes per year. But after the BDT 447.53 crore expansion project, the annual production capacity would go up to 30 lakh tonnes. The new extension unit is expected to go for commercial operation next year, taking Bashundhara Group's cement manufacturing capacity to 75.60 lakh tonnes
- Of the BDT 447.53 crore needed for the project, BDT 285 crore has already been raised from the financial sector, while the remaining amount will come from the business group's coffers. The demand-supply gap for cement widened to 1.47 crore tonnes last year and is expected to hit 1.8 crore tonnes this year, according to a survey by Bank Asia, which arranged the fund through syndication with three other banks -- Pubali, NRB and Janata -- and a financial institution, Uttara Finance

- By 2021 the gap is expected to be 2.17 crore tonnes. The government's huge spending to build the country's infrastructure has been a boon for the cement industry, said Mohammed Belayet Hossain, senior deputy managing director of Bashundhara Group.
- Globally, per capita cement consumption is 500 kilograms, whereas in Bangladesh it is 120 kg, said Md Arfan Ali, managing director of Bank Asia, which has given priority to bankrolling infrastructure projects. Of the two companies, Meghna has been listed on the Dhaka Stock Exchange since 1995. Each share of Meghna Cement traded at more than BDT 90 in the last four months. Yesterday, it closed at BDT 95.50.

<https://www.thedailystar.net/business/news/bashundhara-invest-BDT-447cr-boost-cement-production-1701292>

## Falling yarn price hits spinners hard

New Age, February 12, 2019

- The country's spinners have been hit hard by the decrease in prices of yarns by 12-15 % in the last few months due to leakage of bonded warehouse and smuggling of low-cost yarns from neighbouring country, industry people have said.
- The prices of yarns fell to \$2.40-\$2.90 dollar a kilogram from \$3-3.10 dollar which was lower than the production cost. According to Bangladesh Textile Mills Association data, the sector sits on stockpile of yarns worth BDT 12,000 crore as the demand for the item goes down in the local market for availability of the item imported under bonded warehouse facility.
- Spinners have also blamed smuggling and import of yarns through miss declaration evading taxes for the price fall in local market. If the bonded warehouse had not misused, country's weaving mills would have been engaged in the production of fabrics to meet local demand using the local yarns, he said.
- According to the BTMA statistics, the production costs of yarns stand at \$3-3.10 dollar a kilogram while the spinners are now selling the items at \$2.40-\$2.90 dollar per kg.

<http://www.newagebd.net/article/64633/falling-yarn-price-hits-spinners-hard>

## Institutions warned against price manipulation

The Daily Star, February 13, 2019

- The stockmarket regulator yesterday warned eligible investors against resorting to manipulation for fixing higher premium in the book building system for the sake of general investors. Eligible investors refer to investors such as stock dealers, merchant banks, asset management companies, banks, non-bank financial institutions, insurance companies, and provident funds
- The DSE Brokers' Association (DBA) and news portal businesshour24.com jointly organised it. Well-performed companies enter the stockmarket through the book-building method in search of premium and eligible investors fix the premium through bidding. The premium is the additional price that a company seeks apart from its face value when it offloads shares through an initial public offering (IPO) for its assets and growth potential from investors.
- In the past, the BSEC used to fix the premium but it came under fire, leading it to introduce the book building method in 2015. Issue price refers to the price that consists of face-value and premium. The rule aims at curbing manipulation in fixing higher premium and it has already been initiated in the small-cap board, he said.
- The BSEC chief stressed maintaining coordination among all regulatory bodies. Otherwise, it may impact the market badly. According to Hossain, the stockmarket needs coordination with the Bangladesh Bank and the National Board of Revenue (NBR).

<https://www.thedailystar.net/business/news/institutions-warned-against-price-manipulation-1701298>

## Bashundhara Paper installs new tissue machine

*Share price drops 0.88pc despite the news*

The Financial Express, February 13, 2019

- The Bashundhara Paper Mills has set up a new European brand automated tissue machine using the IPO fund, its board of directors has announced. Bashundhara Paper Mills, a concern of the country's leading business conglomerate Bashundhara Group, raised a capital of BDT 2.0 bn by floating more than 26 mn ordinary shares under the book-building method last year
- The company earlier said the initial public offering (IPO) fund was being used for purchasing machinery worth about BDT 1.35 bn, repay bank loans of about BDT 600 mn and bear the IPO expenses of about BDT 50 mn. The company has also informed that they have utilised 100 % of its IPO fund and successfully implemented the new set-up of its European brand automated tissue machine, according to a disclosure posted on the Dhaka Stock Exchange (DSE) website on Monday.
- The machine will increase tissue manufacturing capacity by 30,000 MT per year and add diversities in the product portfolio, the disclosure said. The company also noted that before installing this machine, Bashundhara Paper Mills had a tissue and paper manufacturing capacity of 113,050 MT per year.
- Each share of the company, which made its trading debut on July 02, 2018, closed at BDT 78.20 on Monday, losing 0.88 % over the previous day despite the news. Its share traded between BDT 78 and BDT 190.50 since it was listed with the DSE on July 02, 2018.
- The company's earnings per share (EPS) stood at BDT 1.32 for July-December period of 2018 as against BDT 1.02 for the same period of 2017. The company disbursed 20 % cash dividend for the year ended on June 30, 2018. The company's paid-up capital is BDT 1.73 bn and authorised capital is BDT 5.0 bn, while the total number of securities is 173.79 mn.
- The sponsor-directors own 70.86 % stake in the company, while institutional investors own 6.51 %, foreign investors 0.01 % and the general public 22.62 % as on January 31, 2019, the DSE data shows. The Bashundhara Paper Mills produces different types of paper such as writing and printing paper, white printing paper, photocopy and sanitary paper, multipurpose paper, colour printing paper, ledger printing paper and bidi paper.

<http://thefinancialexpress.com.bd/stock/bashundhara-paper-installs-new-tissue-machine-1549945955>

## Atlas BD sings business deal with TVSAB

The Financial Express, February 13, 2019

- Atlas Bangladesh, a state-run listed company, signed a five year business agreement with TVS Auto Bangladesh (TVS) on Monday, said an official disclosure. Earlier on May 24, last year, Atlas BD signed a memorandum of understanding (MOU) with TVS Auto for assembling and selling motorcycles of TVS brand to the government, semi-government and government funded project, autonomous bodies and any other government/non-government organizations (NGO).
- Atlas can sell the motorcycles to any individual or retail sales with the prior approval/permission from the TVS Auto. TVSAB may supply the capital machineries and others as required to the company subject to improve the infrastructure, quality, assembly line for efficiency of CKD (completely knocked-down) assembly or adapt new technology, said the disclosure.

- The company shall bear the cost of BDT 36.50 mn by providing bill from TVSAB, according to the disclosure. Each share of the Atlas BD, which was listed on the Dhaka bourse in 1988, closed at BDT 138.40 on Monday at Dhaka Stock Exchange (DSE). The company paid 10 % stock dividend for the year ended on June 30, m2018.
- The company's paid-up capital is BDT 331.27 mn and authorised capital is BDT 1.0 bn, while the total number of securities is 33.12 mn. The sponsor-directors own 1.13 % stake in company, while the government owns 51 %, institutional investors own 19.96 %, and the general public 27.91 % as on January 31, 2019, the DSE data shows.

<http://thefinancialexpress.com.bd/stock/atlas-bd-sings-business-deal-with-tvsab-1549951506>

## IPO subscription of Silco Pharma to begin March 07

*The company to raise BDT 300m through IPO*

The Financial Express, February 13, 2019

- The initial public offering (IPO) subscription of Silco Pharmaceuticals is set to begin on March 07 which will raise a fund worth BDT 300 mn from the capital market. The public subscription will be continued to till March 19.
- The securities regulator –Bangladesh Securities and Exchange Commission (BSEC)—approved the Silco Pharmaceutical's application to raise BDT 300 mn from public on December 20, 2018. Using the fixed-price method, Silco Pharmaceuticals will float 30 mn ordinary shares of BDT 10 each, according to the BSEC approval.
- As of June 2017, five financial years' weighted average earnings-per share (EPS) of the company stood at BDT 1.46 and net asset value (NAV) per share 25.41. The company will utilise the IPO proceeds to construct factory building, purchase machinery and delivery van and bear the IPO expenses, according to the BSEC statement.
- City Bank Capital Resources, EBL Investments and Citizen Securities & Investment are jointly working as issue managers of the company's IPO. Located in Sylhet, Silco Pharmaceuticals, is one of the fastest growing pharmaceutical companies in Bangladesh since 1997 and is now on its way to becoming a high-performance global player, according to its official website.
- The company started its journey with 10 products. Now, it manufactures 108 products. In each year, Silco Pharma is introducing more than 10-20 new products. After completing all formalities, Silco Pharmaceuticals will be the 32nd listed company under the 'Pharmaceutical & Chemicals' sector in the DSE. The Pharmaceutical & Chemicals' sector accounts for 15.50 % of the DSE's total market capitalisation.

<http://thefinancialexpress.com.bd/stock/ipo-subscription-of-silco-pharma-to-begin-march-07-1549951465>

## Economy

### Proposed KEZ set to get licence

The Financial Express, February 13, 2019

- The proposed Kishoreganj Economic Zone (KEZ), a venture of Nitol Niloy Group, is set to obtain licence from the authorities concerned, officials related with the development have said. The zone would be established on 91.63 acres of land in Pakundia Upazilla, next to Bhairab-Kishoreganj highway, they added. It received the pre-qualification licence from the BEZA in July 2017.
- The zone will have all the required facilities such as water treatment plant, effluent treatment plant and fire extinguishing system. It will accommodate industrial facilities for manufacturing businesses like automobiles, steel, apparel, leather goods, agro processing, and Information Communication Technology (ICT), aimed at exporting products after meeting the local demand.

- With the beginning of commercial operations, the KEZ will create direct and indirect employment for around 25,000 people in five years. Some factories in the KEZ, comprised of 26 industrial plots, are expected to go for production by the end of this year
- The zone - 170-km from Dhaka, 307-km from the Chittagong sea port and 40-km from Ashuganj river port - is connected with Gachihata Station of Bhairab-Kishoreganj railway link through its own line. The utilities like gas, electricity and water are already available with the project. The feasibility report along with the master plan of the zone prepared by PricewaterhouseCoopers (PwC) has been duly accepted by the BEZA, which is attached with the Prime Minister's Office (PMO).
- The BEZA is developing 100 economic zones to support achieving the country's economic goal through planned industrialisation and fetching foreign investment. Besides the state-owned EZs, private organisations are also developing different EZs. So far 19 private companies received pre-qualification licences for developing the EZs and eight of them have already been awarded with the final licences.

<http://thefinancialexpress.com.bd/economy/bangladesh/proposed-kez-set-to-get-licence-1549946235>

## RMG grabs the lion's share of cash incentives

The Financial Express, February 13, 2019

- The country's export-oriented apparel units are bagging the most part of the government's cash incentives, directly and indirectly. The local export-oriented textile industries receive around 40 % of the cash incentives. However, a large portion of it is indirectly enjoyed by the readymade garment (RMG) sub-sector.
- The RMG also receives cash incentives at around 8.0 % on their exports to non-traditional markets beyond the North American and European destinations, according to the central bank data. The small



- and medium enterprise (SME) segment of the textiles sector gets subsidy, at the rate of 3.0 %, in the form of an 'additional facility.' But the RMG sub-sector does also accrue benefit out of that segment, as it uses mostly the local textile products.
- The clothing sector consisting of woven and knit wear accounted for more than 83 % of the export basket, as the total exports fetched US\$ 36.7 bn in the fiscal year (FY) 2017-18. The subsidy, a benefit either given in cash or in the form of tax reduction, is meant for the exporters so that they have the competitive edge in the global markets.
- The government disbursed a total of BDT 44.81 bn (4,481 crore) in subsidy to about 19 export revenue earning sectors covering 26 products in the last fiscal year ended on June 30, suggest the data prepared by the accounts and budgeting department of the Bangladesh Bank (BB).
- In the current fiscal year, nine products have been added to the list of items entitled to subsidies, raising the total number to 35. The other major sectors incentivised are jute and jute goods, leather, furniture, paper and paper products, frozen fish, agro-processing products and other agricultural goods.



- Apart from the incentive amounts from the state coffers, the apparel makers also get other forms of support from the government. They include a facility from the Duty Exemption and Drawback Office (DEDO), bonded warehousing, and funding from the central bank's Export Development Fund (EDF).
- Under the Customs' bonded warehouse facility, industries get the benefit of tax-free import or local purchase of the raw materials for use in manufacturing exportable goods. Under the duty exemption and drawback system, the exporters can claim from the DEDO the same amount of money as paid in VAT and other taxes.

<http://thefinancialexpress.com.bd/trade/rmg-grabs-the-lions-share-of-cash-incentives-1550028716>

## International

### US solar jobs down for second year

The Daily Star, February 13, 2019

- The number of jobs in the US solar industry dropped by 3.2 % in 2018, a second year of losses, as the Trump administration's tariffs on foreign panels and state-level policy changes hit demand for installations, according to an industry report released on Tuesday.
- The job losses reflect how changing trade and environmental policies can alter the trajectory of an industry that was among the fastest-growing segments of the US energy industry. The number of solar energy workers fell by 8,000 to 242,000 in 2018, according to the Solar Jobs Census, released annually by the non-profit research firm The Solar Foundation, following a loss of 10,000 jobs in 2017.
- But jobs are expected to rise next year, the report said. In early 2018, President Donald Trump imposed 30 % tariffs on imported solar panels to boost domestic manufacturing, the opening salvo in what has become a wide-ranging trade war.
- The move led developers to cancel or freeze billions of dollars of investments in large-installation projects because most of the solar panels used in the United States are made abroad.

<https://www.thedailystar.net/business/news/us-solar-jobs-down-second-year-1701253>

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