

Stock Market

Stocks end 8-day gaining streak as Silco Pharma debuts today

New Age, June 13, 2019

- Dhaka stocks dropped on Wednesday, ending an eight-day gaining streak as investors went for profit taking before national budget declaration and trading debut of Silco Pharmaceuticals. DSEX, the key index of Dhaka Stock Exchange, lost 0.11 per cent, or 6.35 points, to close at 5,469.63 points on Wednesday after gaining 223 points in the previous eight sessions.
- The trading at the market was choppy on the day that settled in the negative zone as some investors liquidated investments to collect funds to invest in Silco Pharmaceuticals which will make its debut today while some others eyed the budget declaration.
- The turnover at the bourse declined to Tk 522.63 crore on Wednesday from Tk 578.68 crore in the previous session. The average share prices of energy, cement, textile and telecommunication sectors dropped by 0.97 per cent, 0.94 per cent, 0.78 per cent and 0.74 per cent respectively.
- DS30, the blue-chip index of DSE, lost 0.23 per cent, or 4.46 points, to close at 1,917.36 points. DSE Shariah index DSES shed 0.23 per cent, or 2.88 points, to close at 1,241.65 points. BBS Cables led the turnover chart with its shares worth Tk 26.16 crore changing hands.
- Peoples Insurance Company gained the most on the day with a 10-per cent increase in its share prices while Meghna Condensed Milk Industries was the worst loser, shedding 6.69 per cent.

<http://www.newagebd.net/article/75131/stocks-end-8-day-gaining-streak-as-silco-pharma-debuts-today>

Silco makes trading debut today

The Financial Express, June 13, 2019

- Silco Pharmaceuticals Ltd. will make its share trading debut today (Thursday) on both the bourses under 'N' category, officials said. The DSE trading code for the company is "SILCOPHL" and the DSE company code is 18495 while the CSE scrip ID is 13035 and the scrip code "SILCOPHL".
- The Silco Pharma raised a fund worth BDT 300 mn by floating 30 mn ordinary shares of BDT 10 each, using the fixed-price method. The pharma company will utilise the IPO proceeds for construction of new factory building in the existing vacant area (48.22 %), import of new machinery (32.45 %), purchase of delivery van (12.10 %) and IPO expenses (7.23 %), according to the IPO prospectus.
- As per un-audited financial statements of the company for the period from July 2018 to March 2019 (nine months), net profit after tax was BDT 78.65 mn, pre-IPO EPS was BDT 1.22 and post-IPO EPS was BDT 0.83. The net asset value (NAV) per share was BDT 28.27 as on March 31, 2019.

<http://thefinancialexpress.com.bd/stock/silco-makes-trading-debut-today-1560400030>

BSEC approves draft prospectus of new open-end fund

The Financial Express, June 13, 2019

- The securities regulator has approved the draft prospectus of the CWT Emerging Bangladesh First Growth Fund. The endorsement came at a meeting of the Bangladesh Securities and Exchange Commission (BSEC) at its office in the city on Wednesday.
- The fund is open-ended with unlimited size. The initial size of the Growth Fund will be BDT 100 mn. The sponsor of the fund will contribute BDT 10 mn while the remaining BDT 90 mn will be collected from general investors through sales of fund units.
- The face value of each unit of the fund has been fixed at BDT 10. According to the official website of the Growth Fund, its objective is to generate growth of capital, with a secondary objective of current income through optimising asset allocation in the capital market and money market within regulatory framework.
- Individuals, both resident and non-resident, institutions, both local and foreign, mutual funds and collective investment schemes are eligible to subscribe for the units of the fund. A minimum of 50 % of realised income of the fund will be distributed as dividend in Bangladeshi taka in each accounting year, according to the fund's dividend policy mentioned on the website.

<http://thefinancialexpress.com.bd/stock/bsec-approves-draft-prospectus-of-new-open-end-fund-1560399939>

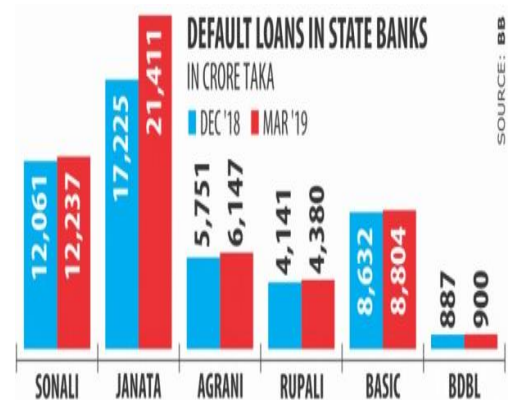
Economy

State banks weighed down by bad loans

Economists against further capital injection

The Daily Star, June 13, 2019

- Default loans in state-run commercial banks soared 10.64 %, or BDT 5,184 crore, in the first quarter of the year -- in the strongest sign yet of the lenders' apathy towards cleaning up their acts.
- At the end of March, the total amount of default loans in the six banks -- Sonali, Janata, Agrani, Rupali, BASIC and Bangladesh Development -- stood at BDT 53,879 crore, which is 48.60 % of total default loans in the banking sector.
- The spiralling default loans in the banks have already created a large amount of capital shortfall. And like always, without any hesitation, the government is swooping in to rescue them. In the last 17 fiscal years, the government had injected a total BDT 20,584 crore of taxpayers' money into them -- without any tangible
- The spiral means default loans now account for 11.87 % of total outstanding loans, up from 10.30 % three months earlier and 10.78 % a year earlier, according to data from the Bangladesh Bank. During the quarter, default loans soared a record BDT 16,962 crore.

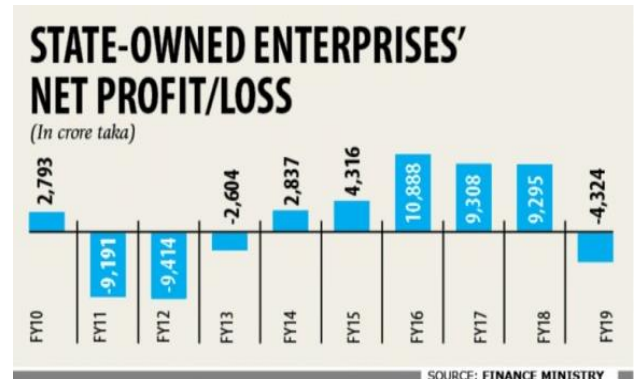


<https://www.thedailystar.net/business/bangladesh-budget-2019-20-state-banks-weighed-down-bad-loans-1756369>

Public enterprises incur BDT 4,325cr losses

The Daily Star, June 13, 2019

- After a span of five years, state-owned enterprises jointly incurred a loss in the outgoing fiscal year largely because of Bangladesh Power Development Board's (BPDB) higher use of subsidy.
- The government takes into account estimates of losses and profits made by 49 state-owned enterprises in a year before calculating the final outcome. In the outgoing fiscal of 2018-19, the combined loss came at BDT 4,325 crore.
- The data came in the draft of the Bangladesh Economic Review 2019, an annual publication of the finance ministry which will be released today alongside the documents of the upcoming fiscal year's budget. Since 2013-14, the enterprises had been, in the overall sense, making a profit and it was BDT 9,295 crore in the last fiscal year.
- But the scenario has been the opposite when it came to BPDB for it incurred losses in almost every year for the last 10 years, with the end figure being nearly double than what was at the start. In 2018-19, BPDB incurred the highest loss of BDT 10,271 crore, among the enterprises. It was BDT 9,284 crore in the previous fiscal year.



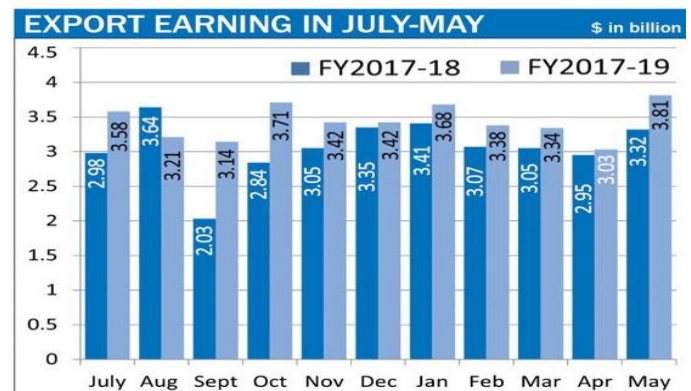
<https://www.thedailystar.net/business/news/public-enterprises-incur-BDT-4325cr-losses-1756363>

Export earnings hit record \$3.8b in May

Post \$37.75 bn in July-May riding on RMG sector

The Daily Star, June 13, 2019

- Bangladesh's exports fetched \$3.81 bn in May this year, which was the single-month highest in the country's history riding on the good performance of readymade garment products.
- The overall export earnings in July-May period of the current financial year (2018-19) grew by 11.92 % to \$37.75 bn from \$33.72 bn in the same period of FY18. Export earnings from the RMG sector in July-May of FY19 increased by 12.82 % to \$31.73 bn from \$28.13 bn in the same period of FY18.
- Earnings from woven garments grew by 13.13 % to \$16.05 bn from \$14.18 bn in the same period of the last fiscal year. Knitwear export grew by 12.50 % to \$15.68 bn from \$13.94 bn.
- Earnings from home textile export in July-May of FY19 fell by 2.69 % to \$800.85 mn from \$800 mn in the same period of the previous fiscal year. Export earnings from agriculture products grew by 40.30 % to \$854.46 mn from \$609.01mn.



- Export earnings from leather and leather goods fell by 5.53 % to \$943.83 mn in July-May of FY19 from \$999.07 mn in the same period of FY18. Export earnings from leather-footwear increased by 8.96 % to \$557.41 mn while other leather products fetched \$228.24 mn with a 28.33-% negative growth in the period.

<http://www.newagebd.net/article/74913/export-earnings-hit-record-38b-in-may>

Trade deficit drops by 10.4pc in July-April

New Age, June 13, 2019

- Country's trade deficit dropped by 10.44 % or \$1.59 bn in first 10 months of the fiscal year 2018-2019 compared with that in the same period of the last fiscal year due mainly to slowdown in import growth and notable growth in export earnings.
- Trade deficit eased to \$13.68 bn in July-April of FY19 from \$15.27 bn in the same period of FY18, showed Bangladesh Bank data released on Wednesday. Though the trade deficit eased in the period, the deficit was still high, said BB officials. Trade deficit was \$11.93 bn in July-March of the current FY19.
- According to the central bank, trade deficit eased in July-April as import grew by only 3.88 % against the export earning growth of 11.15 % in the period. Import payments stood at \$47.11 bn in July-April of FY19 from \$45.35 bn in the same period of FY18.
- According to the BB data, export earnings stood at \$33.43 bn in July-April of FY19 against \$30.08 bn in the same period of FY18. A fall in capital machinery import, however, has created a concern among experts and economists as capital machinery is considered the driving force for the industrial sector of countries like Bangladesh.

<http://www.newagebd.net/article/75129/trade-deficit-drops-by-104pc-in-july-april>

International

India May inflation hits 7-month high

New Age, June 10, 2019

- India's retail inflation rate hit a seven-month high in May due to higher food prices, government data showed on Wednesday, but stayed below the central bank's target and potentially gives it room for more interest rate cuts to help a sluggish economy.
- Annual retail inflation in May was 3.05 %, up from the revised 2.99 % in the previous month, and above forecasts by analysts. A Reuters poll had predicted a retail inflation rate of 3.01 % for May.
- Core consumer inflation, which strips out food and fuel prices, was estimated at 4.1-4.2 % in May, lower than April's 4.53 %-4.57 %, three analysts said after seeing the inflation figures on Wednesday.
- Inflation has sharply come down from a peak of more than 12 % in 2013, and has now come in below the Reserve Bank of India's medium-term target of 4 % for ten consecutive months.

<http://www.newagebd.net/article/75133/india-may-inflation-hits-7-month-high>

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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

BASL Networks

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 call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.