

Stock Market

Stocks drop for 3rd day despite DBBL boost

New Age, March 14, 2019

- Stocks dropped for the third day on Wednesday as investors got in a muddle over the current trend at the market while a section of investors went for buying bank scrips after Dutch-Bangla Bank declared 150 % bonus dividend and profit growth.
- DSEX, the key index of Dhaka Stock Exchange, dropped by 0.51 %, or 29.22 points, to close at 5,653.21 points on Wednesday. DSEX lost 57 points in last three sessions. The average share prices of general insurance, telecommunication and textile dropped by 2.5 %, 1.84 % and 1.72 % respectively.
- Investors rushed to buy shares of banks as the board of directors of DBBL approved 150 % stock dividend for the year ended on December 31, 2018. The board also decided to increase the bank's authorised capital from BDT 400 crore to BDT 500 crore.
- The earnings per share of the bank registered a whopping 71 % year-on-year growth to BDT 21.01 in 2018 against BDT 12.28 in 2017. Therefore, share prices of DBBL shot up by 15 % on the day with leading the turnover chart. Besides, the share prices of most of the multinational companies including Berger Paint Bangladesh increased on the day.
- The average share prices of miscellaneous, bank and NBFIs advanced by 3.5 %, 1.6 % and 0.26 % respectively. The turnover on the bourse advanced to BDT 708.12 crore on Wednesday from BDT 621.99 crore in the previous trading session. Out of the 345 issues traded on the day, 242 declined, 71 advanced and 33 remained unchanged.
- DSE blue-chip index DS30, however, shed 0.41 %, or 8.26 points, to close at 2,005.49 points. Shariah index DSES declined by 0.89 %, or 11.72 points, to finish at 1,292.19 points. DBBL led the turnover leaders with its shares worth BDT 62.39 crore changing hands on the day.
- Dutch-Bangla Bank gained the most on the day with a 15.18-% increase in its share prices while Republic Insurance Company was the worst loser, shedding 9.18 %.

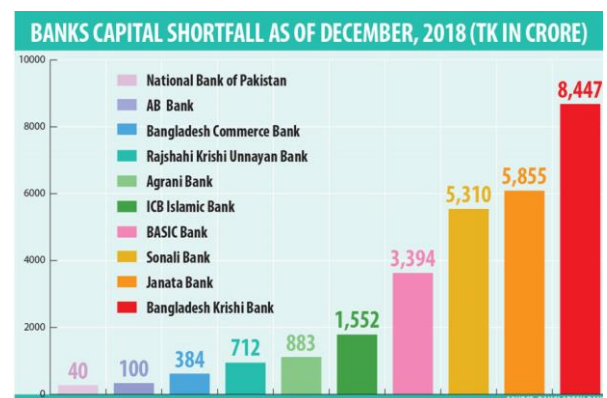
<http://www.newagebd.net/article/67294/stocks-drop-for-3rd-day-despite-dbbi-boost>

Economy

10 banks face BDT26,687cr capital shortfall

Dhaka Tribune, March 13, 2019

- Six state-run banks, three private commercial banks, and one foreign bank, had a combined capital shortfall of BDT26,687 crore as of December 2018, following failure to meet the minimum regulatory capital requirements. The ten banks are: Agrani Bank, Basic Bank, Janata Bank, Bangladesh Krishi Bank, Rajshahi Krishi Unnayan Bank, Bangladesh Commerce Bank, ICB Islamic Bank, Sonali Bank, AB Bank and National Bank of Pakistan.
- Of them, the capital shortfall at five banks soared to BDT7,297 crore in the last fiscal year (2017-2018). According to Bangladesh Bank guidelines on risk-based capital



adequacy, banks have to maintain a minimum capital adequacy ratio (CAR)—which is a bank's capital reserve to cover their risk exposure—of 12% by 2019, in line with the BASEL III requirement.

- According to latest data from the central bank, Bangladesh Krishi Bank had the highest capital shortfall which stood at BDT8,447crore, followed by Janata Bank at BDT5,855crore, Sonali Bank at BDT5,320 crore, Basic Bank at BDT3394crore, ICB Islami Bank at BDT1,552 crore, Agrani Bank at BDT883crore, Rajshahi Krishi Unnayan Bank at BDT712crore, Bangladesh Commerce Bank at BDT384 crore, AB Bank at BDT100 crore, and National Bank of Pakistan at BDT40 crore.
- In the span of a year up to December, 2018, Janata Bank's capital shortfall rose by BDT5,694 crore to BDT5,855crore, Bangladesh Krishi Bank capital shortfall rose by Tk670 crore to BDT8,447 crore, Basic Bank rose by BDT738 to BDT3,394 crore, Bangladesh Commerce Bank rose by BDT138 crore to BDT384 crore, and ICB Islami Bank's capital shortfall rose by BDT57 crore to BDT1,552 crore.

<https://www.dhakatribune.com/business/2019/03/13/10-banks-face-BDT26-687cr-capital-shortfall>

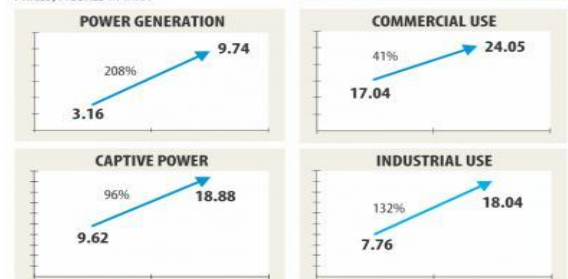
Gas price move faces uproar

The Daily Star, March 14, 2019

- The proposal to double the gas price because of liquefied natural gas (LNG) imports is being met with fierce resistance as the increase stands to hit the economy, make businesses uncompetitive and fuel inflation.
- State-run Petrobangla and its distribution companies are demanding the Bangladesh Energy Regulatory Commission (BERC) raise the gas price for end consumers to BDT 12.19 per cubic metre from BDT 8.63 now.
- This comes after all six gas distribution companies -- Titas, Bakhraabad, Jalalabad, Pashchimanchal, Karnaphuli, and Sundarban -- proposed the hike as their production costs increased following the blending of LNG with locally produced gas.

POST-LNG GAS PRICE HIKE PROPOSAL

PER UNIT PRICE OF GAS FOR DIFFERENT SECTORS; PRESENT AND PROPOSED PRICES; FIGURES IN TAKA



<https://www.thedailystar.net/business/news/gas-price-move-faces-uproar-1714867>

Asian carmakers eye bigger share of Bangladesh market

The Daily Star, March 14, 2019

- Bangladesh's growing automobile market, fuelled by consistent economic growth and rising purchasing power, is drawing in automakers from around the globe, especially the Asian ones who seek to dominate the passenger car segment.
- Around 63 automobiles, including sport utility vehicles (SUVs), are now sold every day in Bangladesh while it was 29 in 2012 when the market started thriving, as per the Bangladesh Reconditioned Vehicles Importers and Dealers Association (Barvida).
- According to Bangladesh Road Transport Authority (BRTA), around 9,224 vehicles were sold in 2012 whereas it was 18,227 units in 2018, meaning there has been 98 % growth in the past six years. In 2017, car sales amounted to around BDT 5,000 crore and the industry achieved 8 % growth a year on an average since 2012, according to industry insiders.

- The figures seem tempting enough to awaken Subaru Bangladesh into launching four models of the Japanese brand -- Forester, BRZ, Impreza, XV -- today after a five-year gap. Another indication of automakers' attention being focused on the country is four concurrent three-day automobile-centric shows being opened by CEMS Global at the International Convention City Bashundhara from today.
- On the other hand, Korean automobile manufacturers Hyundai, Kia and SsangYong Motor are also looking to increase their market share in Bangladesh after sales of their cars rose 20 % on an average in the last four years, said industry insiders.

<https://www.thedailystar.net/business/news/asian-carmakers-eye-bigger-share-bangladesh-market-1714756>

International

India's Feb inflation picks up slightly

New Age, March 14, 2019

- India's consumer prices rose at a faster pace than anticipated in February, and remained below the Reserve Bank of India's target for a seventh straight month, lending weight to expectations that the bank could again cut the key interest rate in April.
- India's annual retail inflation picked up in February to 2.57 %, after easing to a downwardly revised 19-month low of 1.97 % in January, government data showed on Tuesday. February's marginal increase in inflation stemmed from higher costs of housing, health, education services and fuel. Health and education costs rose more than 8 % in February from a year earlier, the data showed.
- Economists say inflation remains subdued because of high unemployment and declines in rural incomes following a fall in food prices and in demand for exports. The unemployment rate rose to 7.2 % in February, the highest since September 2016, and up from 5.9 % in February 2018, according to data compiled by the Centre for Monitoring Indian Economy.

<http://www.newagebd.net/article/67215/indias-feb-inflation-picks-up-slightly>

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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 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.