

Stock Market

Weekly analysis

Stocks keep sinking as investor confidence hits rock bottom

News of People's Leasing liquidation comes as a blow

The Financial Express, July 10, 2019

- Stocks suffered a big jolt in the outgoing week as investor confidence hit rock bottom, triggering panic selling that sent the benchmark index of the prime bourse reeling down in all five sessions of the week.
- The DSEX, the prime index of the Dhaka Stock Exchange (DSE), went down by 158.49 points or 2.95 % to close the week at 5,222.
- Meanwhile, the news of liquidation of People's Leasing has hit the non-bank financial institution sector that lost 4.41 % during the week. And the People's Leasing was the week's biggest loser, plummeting 25 %.
- The government has recently directed the central bank to liquidate the People's Leasing, as its financial health deteriorated over the last several years. The DSEX has lost 200 points and the DSE market-cap shed BDT 132 bn since the national budget for the FY 2019-20 was passed on June 30, 2019.
- The outgoing week featured five trading days as usual and all of them saw the benchmark index drop to a lower level. Two other indices also ended lower. The DS30 index, comprising blue chips, slumped 52.36 points or 2.74 % to finish at 1,857 and the DSE Shariah Index lost 38.79 points or 3.15 % to close at 1,194. The total turnover on the prime bourse stood at BDT 21.12 bn, up from BDT 19.47 bn in the week before.
- SEML FBLSL Growth Fund was the week's best performer, posting a gain of 60 % while People's Leasing was the worst loser, plunging 25 %.



<http://thefinancialexpress.com.bd/stock/stocks-keep-sinking-as-investor-confidence-hits-rock-bottom-1562991613>

National Life generates highest turnover

Ten companies grab 21pc of weekly transactions on DSE

The Financial Express, July 14, 2019

- Ten most traded firms accounted for 21 % of transactions on the Dhaka Stock Exchange (DSE) in the outgoing week, with the National Life Insurance Company bagging the top spot on the turnover chart.
- According to the DSE data, about 2.99 mn shares of National Life were traded, generating a turnover of BDT 786 mn during the week, making up 3.72 % of the week's total turnover of BDT 21.12 bn. The life insurer's share closed at BDT 260.40 on Thursday, the last trading session of the week, losing 1.29 % over the week before.

- The company has yet to declare the dividend for the year ended on December 31, 2018. Runner Automobiles came second on the turnover chart, with shares worth BDT 574 mn changing hands. The company's share closed at BDT 96.10 on Thursday, shedding 9.68 % over the previous week.
- Asian Tiger Sandhani Life Growth Fund clinched the third spot, with shares worth BDT 562 mn changing hands. The fund's unit price soared 22.52 % to close at BDT 13.60. JMI Syringes & Medical Devices emerged fourth with shares worth BDT 455 mn changing hands. The company's share closed at BDT 470.50, losing 0.59 %.
- Rupali Life Insurance Company also made its way to the top 10 turnover chart, with shares of BDT 296 mn changing hands. The company's share price advanced 1.14 % week on week to close at BDT 62.20 each on Thursday.

<http://thefinancialexpress.com.bd/stock/national-life-generates-highest-turnover-1562991783>

Significant rise in transactions through DSE mobile app

The Financial Express, July 14, 2019

- The country's premier bourse witnessed a significant rise in share transactions through DSE mobile app in the just concluded fiscal year (FY) compared to previous FY. The number of orders for share transaction through DSE mobile app has become noteworthy because mobile-based transactions attracted investors.
- According to information of Dhaka Stock Exchange (DSE), investors placed 6.9 mn orders through the DSE mobile app in the FY 2018-19. In the FY 2017-18, investors placed 4.2 mn orders through the mobile app.
- As a result, the number of orders, which were placed using mobile app, rose 57 % or 2.7 mn in the FY 2018-19 compared to that of the FY 2017-18. The number of active users of the mobile application also rose significantly during the FY 2018-19 compared to that of previous FY.
- At the end of the FY 2018-19, the number of active users of the DSE mobile app stood at 46,283, which was 34,080 as of July, 2018. The country's premier bourse DSE launched the mobile-based share trading app on March 9, 2016.

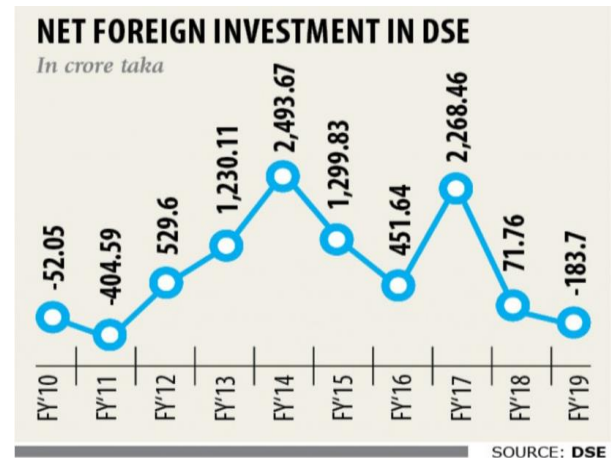
<http://thefinancialexpress.com.bd/stock/significant-rise-in-transactions-through-dse-mobile-app-1563078082>

Foreign funds in stocks slip into negative territory

The Daily Star, July 14, 2019

- Net foreign investment in Dhaka Stock Exchange tipped into negative territory for the first time in eight years last fiscal year as overseas investors sold more stocks than they purchased.
- Analysts attributed the fall to the depreciation of the local currency against the American greenback and regulators' sudden decision aimed at listed companies. The net foreign investment dropped to BDT 183.70 crore in the negative in 2018-19 after foreign investors bought shares amounting to BDT 4,017.81 crore and sold issues worth BDT 4,201.51 crore.

- In 2017-18, the investment was BDT 71.76 crore in the positive, data from the DSE showed. On July 10, the exchange rate was BDT 84.50 per USD, up from BDT 83.50 on the same day a year ago, Bangladesh Bank data showed.
- Foreign investors think that the taka will come under pressure because of the widening deficit in the balance of payments and huge foreign debt, according to brokerage houses that deal with external portfolio investment.
- Investors anticipate a further depreciation of the taka as the central bank is artificially preventing the devaluation of the currency. The overall balance of payment stood at \$682 mn in the negative during the July-May period of 2018-19, which was \$970 mn in the negative year-on-year.
- Bangladesh received \$5.7 bn in medium and long-term foreign debt in 2017-18, up from \$3.2 bn a year ago. A top official of another brokerage house blamed some of the sudden regulatory moves aimed at listed companies that spooked the confidence of foreigners.



<https://www.thedailystar.net/business/news/foreign-funds-stocks-slip-negative-territory-1771177?browserpush=true>

DSE board decides on Coppertech listing

The Financial Express, July 12, 2019

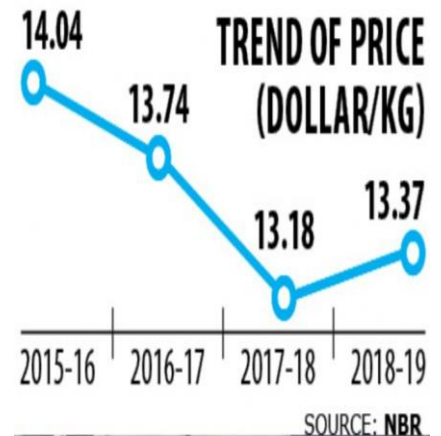
- The board of the country's premier bourse has asked its management to take an initiative for the listing and trading of the shares of much-talked-about Coppertech Industries on the Dhaka Stock Exchange (DSE) as per existing rules and regulations.
- The decision to list the company came at a board meeting of the DSE held at its office in the city on Thursday. Following the decision, the stalemate over the listing of the Coppertech Industries, mired in controversies over its financial statements, has finally been resolved.
- The Bangladesh Securities and Exchange Commission (BSEC) had approved the Coppertech's IPO proposal on December 26, 2018 for raising a capital of BDT 200 mn under the fixed-price method.
- But after controversies over the financial statement of the company surfaced, the DSE scrutinised the financial statement and sought a guideline from the securities regulator regarding the listing of the company.
- But the premier bourse has not yet received any guideline from the securities regulator. Rather, on July1, the BSEC requested the DSE to remit the subscription money of the eligible investors (EIs) into the account of Coppertech Industries. Under such circumstances, the DSE board asked its management on Thursday to take an initiative for the listing and trading of the share of the company.

<http://thefinancialexpress.com.bd/stock/dse-board-decides-on-coppertech-listing-1562909266>

Apparel prices fall 1.61pc in 4yrs

The Daily Star, July 14, 2019

- Prices of garment items exported from Bangladesh dipped by 1.61 % over the last four years, a reflection of the pressure international clothing retailers and brands always put on the garment manufacturers for lowering prices.
- If the period between fiscal 2015-16 and 2018-19 are taken into consideration, price per unit of garment items increased only last year by 1.42 %, according to data from Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- Per unit prices fell 2.12 % in fiscal 2016-17 compared to the previous year and it experienced another fall of 4.07 % in fiscal 2017-18. In fiscal 2018-19, Bangladesh exported 2,430.12 mn kilogrammes (kgs) of garment items, registering a 10.43 % year-on-year growth, states data of the National Board of Revenue (NBR) compiled by the BGMEA.
- In terms of value, Bangladesh—the second largest garment exporter after China—received \$34.13 bn from apparel shipments in the immediate past fiscal year, posting an 11.49 % year-on-year growth.
- In recent years, the garment manufacturers have spent big amounts of money to strengthen workplace safety and ensure better compliance as per the recommendations of foreign inspection agencies, including Accord and Alliance.



<https://www.thedailystar.net/business/news/apparel-prices-fall-161pc-4yrs-1771186>

Rupali Insurance re-elects chairman

The Daily Star, July 14, 2019

- Mostafa Golam Quddus has recently been re-elected chairman of Rupali Insurance Company. The election took place at a 187th meeting of the board of directors, says a press release.
- Quddus is chairman of Dragon Group, a sweater producing company. He was a former president of the Bangladesh Garments Manufacturers and Exporters Association.

<https://www.thedailystar.net/business/news/rupali-insurance-re-elects-chairman-1771153>

CA firms face music for professional misconduct

The Financial Express, July 14, 2019

- The Institute of Chartered Accountants of Bangladesh (ICAB) has taken disciplinary actions against some auditors and CA (Chartered Accountant) firms for professional 'misconducts'.
- The council of the ICAB has taken the actions following the recommendations of its Investigation & Disciplinary Committee (IDC), according to ICAB website.

- The council has imposed a penalty of BDT 0.2 mn on AK Abdul Matin, the managing partner of A Matin & Co, for professional 'misconduct' found in the auditing executed for New Hope Feed Mills for the year ended on June 30, 2010.
- According to the IDC, the auditor did not apply appropriate audit procedures to warrant the expression of his audit opinion. Along with accepting audit appoints with a small fee, the auditor also signed the audited financial statements without ensuring the signature of the company's management.
- The ICAB imposed another penalty worth BDT 0.1 mn on the partners of the Nurul Azim & Co as they were found guilty of professional misconduct regarding minimum requirements for office premises. The partners, however, have deposited the penalty amount on receipt of the ICAB report.
- A penalty worth BDT 0.1 mn has been imposed on M A Quadir Mollah, a partner of Mollah Quadir Yusuf & Co, for continuing public practice as a chartered account without valid certificate for the years 2013-14 and 2014-15.
- The name of M Abu Taleb, proprietor of M A Taleb & Co, will be discarded from the list of ICAB's practicing members for not updating his certificate of practice since 2013-14. The proprietor of the S N Meahji & Co have not updated certificate since 2014-15.

<http://thefinancialexpress.com.bd/stock/ca-firms-face-misconduct-1563078232>

Economy

AIIB pledges all-out support for Bangladesh

The Daily Star, July 14, 2019



- The Asian Infrastructure Investment Bank will extend all-out financing support to Bangladesh in the coming days and has even agreed to let the country select its own projects as per its development demands.
- The development came at a meeting of Finance Minister AHM Mustafa Kamal with AIIB President Jin Lique on the sidelines of the fourth annual meeting of the board of governors of the AIIB in Luxembourg yesterday.
- Earlier in the day, the AIIB board of governors' meeting had commenced with the success story of a rural electrification project in Bangladesh that the bank funded.
- The objective of the \$176-mn project was to upgrade and expand the power transmission network in the Chattogram region to ensure adequate and reliable power supply in the southeastern region of Bangladesh.
- The AIIB provided \$120 mn for the project. Meanwhile on Friday, the AIIB approved a \$100-mn loan to accelerate Bangladesh's efforts to deliver improved water supply and sanitation services to underserved communities.
- The Bangladesh Municipal Water Supply and Sanitation Project will support government investments in water, sanitation and drainage infrastructure in 30 municipalities, where households continue to rely on public standpoints and shallow-tube wells. Once completed, about 600,000 people are expected to be connected to new piped water supply systems and benefit from improved sanitation services.

<https://www.thedailystar.net/business/news/aiib-pledges-all-out-support-bangladesh-1771174>

Burgeoning economy lures Korean investors

The Daily Star, July 14, 2019

- In a heartening development, more and more South Korean companies are coming to Bangladesh with investment plans, attracted by the country's tremendous growth momentum. Super Petrochemical teamed up with SK Group of South Korea last year to invest \$2.5 bn for setting up a petrochemical complex and a liquefied petroleum gas terminal in Moheshkhali.
- While most of the Korean investments are in the labour-intensive garment manufacturing sector, new funds are flowing in to power, shipbuilding, housing and banking sector. Bangladesh's export to South Korea is on the rise but the trade gap is still heavily tilted towards the Asian economic giant.
- In fiscal 2008-09, Bangladesh's exports to Korea stood at \$101.28 mn, which soared to \$254.84 mn a decade later, according to data from the Export Promotion Bureau. And in the first 11 months of the last fiscal year it stood at \$348 mn.
- In contrast, Korea's exports to Bangladesh in fiscal 2017-18 stood at \$1.2 bn, up from \$864.78 mn a decade earlier. Bangladesh mainly exports apparel, frozen food, agri-products, chemicals, leather, raw jute and jute goods to South Korea.

	
BANGLADESH's EXPORT TO S KOREA (*11 months to May 2019)	S KOREA's EXPORT TO BANGLADESH
FY 09: \$ 101 m	FY 09: \$ 865 m
FY 13: \$ 250 m	FY 13: \$ 1.26 b
FY 18: \$ 255 m	FY 18: \$ 1.2 b
*FY 19: \$ 348 m	

<https://www.thedailystar.net/business/news/burgeoning-economy-lures-korean-investors-1771189>

International

Japan sets up working group on impact of FB's Libra ahead of G7

New Age, July 14, 2019

- Japanese authorities have set up a working group to discuss the impact Facebook's proposed Libra digital coin could have on monetary policy and financial regulation, government sources said, ahead of a G7 finance leaders' gathering where the topic will be high on the agenda.
- The plan by the social media giant to build a digital currency has raised concerns among global regulators that it could quickly become systemic given Facebook's huge cross-border reach.
- France is using its presidency of the Group of 7 group of economic powers to launch a task force to look at how central banks can ensure digital currencies like Libra are regulated from money-laundering to consumer-protection rules.
- European Central Bank policymaker Benoit Coeure is due to deliver a preliminary report on the matter next week at a meeting of G7 finance ministers in Chantilly, north of Paris.
- In Japan, the central bank does not oversee banking regulation, which is handled by the Financial Services Agency.

- At a summit last month in Japan held after Facebook's announcement of the Libra plan, the G20 leaders said they were closely monitoring developments and 'vigilant to existing and emerging risks' involving crypto-assets.

<http://www.newagebd.net/article/78426/japan-sets-up-working-group-on-impact-of-fbs-libra-ahead-of-g7>

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