

Stock Market

Stocks lose 1,188 points in relentless plunge in 9 months

DSEX drops to 3-yr low

New Age, October 13, 2019

- Dhaka stocks lost 1,188 points in last nine months in a slump with the DSEX dipping to a three-year low on Sunday as shaky investors continued selling shares. More than BDT 60,000 crore was wiped off the market capitalisation of the Dhaka Stock Exchange in the period.
- The DSEX, the key index of the DSE, lost 19.96 %, or 1,188 points, since January 24 this year to end at 4,761.87 points on Sunday. On Sunday, the DSEX lost 1.00 % or 48.34 points. Sunday's figure was the lowest after November 22, 2016 when it was at 4,750.20 points. The index lost 176 points in last five sessions.
- The country's financial sector has been reeling with huge non-performing loans, dearth of liquidity and lack of governance in the entities under the sector that has made it tough for the capital market to rebound. The media reported on October 7 that the country's export earnings in July-September of FY 2019-20 decreased to \$9.64 bn from \$9.94 bn in the same period of FY 2018-19, and the drop occurred after more than a decade.
- Share prices of textile decreased by 2.3 %, telecommunication 2.2 %, non-bank financial institution 2.0 % and bank 0.6 % on the day. The media reported that the foreign investors at the DSE withdrew record BDT 680 crore in last seven months (March-September) from the country's premier bourse.
- Turnover on the bourse dropped to BDT 298.19 crore on Sunday from BDT 327.81 crore in the previous session. Out of the 352 scrips traded on the day, 267 declined, 41 advanced and 37 remained unchanged. Blue-chip index DS30 decreased by 0.90 %, or 15.37 points, to close at 1,689.16 points. DSE Shariah index DSES shed 1.05 %, or 11.74 points, to close at 1,099.61 points.
- Wata Chemical, Bangladesh Submarine Cable Company, Monno Jute Stafflers, Bangladesh Shipping Corporation, Silco Pharmaceuticals, Beacon Pharmaceuticals, Standard Ceramics and Summit Power were the other turnover leaders. Sonali Aansh Industries gained the most on the day with a 8.75-% increase in its share prices while Mozaffar Hossain Spinning Mills was the worst loser, shedding 9.52 %.

<http://www.newagebd.net/article/87587/stocks-lose-1188-points-in-relentless-plunge-in-9-months>

BSEC halts LR Global's investment deal with bdnews24.com

New Age, October 13, 2019

- The Bangladesh Securities and Exchange on Sunday halted LR Global Bangladesh Asset Management Company Limited's investment in bdnews24.com, an online news outlet, till the capital market regulator completes assessment of the relevant documents.
- The BSEC said that it was drawn attention to a media report that BDT 50 crore would be invested in bdnews24.com by LR Global or from funds managed by the asset manager. LR Global is an asset management company which is managing six closed-end mutual funds listed on the country's stock exchanges.

- The commission ordered the asset management company to provide details of the investment deal in 24 hours. The BSEC also asked all parties concerned with the matter to refrain from activities of the investment before the regulator receives all documents and assesses them.
- Bdnews24 in a report published in its online portal said that LR Global Bangladesh invested BDT 50 crore in bdnews24 to support the expansion of news automation and creativity of the news outlet. The commission at the meeting also decided to suspend depository participant certificate of Shah Mohammad Sagir and Company Limited for violation of securities rules.
- The brokerage house has BDT 1.98 crore in shortfall in its consolidated customer account. Besides, investors complained against the brokerage house through the customer complaint address module of the commission. The BSEC also asked the Dhaka Stock Exchange to form a team to run an inspection over the activities of the brokerage house.

<http://www.newagebd.net/article/87589/bsec-halts-lr-globals-investment-deal-with-bdnews24com>

LR Global-bdnews24 tie-up

BSEC seeks all info on BDT 500m deal

The Financial Express, October 14, 2019

- The securities regulator has asked LR Global Bangladesh Asset Management Company Limited to submit all information regarding its mutual funds' (MFs) BDT 500 mn investment in bdnews24.com within 24 hours.
- The Bangladesh Securities and Exchange Commission (BSEC) gave the instruction after a meeting at BSEC office in the capital on Sunday.
- The regulatory stance came following a news on LR Global's investment in bdnews24.com. The BSEC has also asked all concerned to refrain from such kind of investment and activities before receiving and scrutinising complete information from LR Global.
- According to the news published on bdnews24.com on Sunday, LR Global Bangladesh invested BDT 500 mn in the news portal to support expansion of its news automation and creativity. As per the existing rules, the funds collected under the scheme of a mutual fund can be invested only in listed securities, initial public offerings (IPOs), and transferable securities in the money market.

<http://thefinancialexpress.com.bd/stock/bsec-seeks-all-info-on-BDT-500m-deal-1571027224>

Economy

Bangladesh Bank lets taka devaluation after 5 months as exports fall

New Age, October 14, 2019

- The Bangladesh Bank has started allowing devaluation of the taka against the US dollar after a five-month lull to support exporters as the country's export earnings witnessed a fall in July-September this fiscal year (2019-20) amid a slowdown in the global economy.

- As per the Bangladesh Bank data, the interbank exchange rate of the dollar increased to BDT 84.7 on Sunday, rising in two phases from BDT 84.5 on October 3 this year. The rate was stable at 84.5 since May 3, 2019. If Sunday's interbank exchange rate was taken into consideration, the taka was devalued by 7.62 % against the US dollar since January, 2017 when the dollar was traded at BDT 78.7.
- Although the taka was devalued against the US dollar, injection of the US dollar in the country's local market was lenient, which indicated that the devaluation was intentional, said BB officials. In recent days, the US dollar has been traded at up to BDT 87 at the curb market.
- Till Sunday, the BB in the current fiscal year injected \$89 mn including \$30 mn injected in 13 days of October. The monthly average injection was \$195 mn in last fiscal year (2018-2019). In total, the BB injected \$2.34 bn in last fiscal year.

<http://www.newagebd.net/article/87586/bangladesh-bank-lets-taka-devaluation-after-5-months-as-exports-fall>

Massive cuts in short code tariffs

Charges to drop 77.5pc for govt entities, 50pc for private

- Bangladesh Telecommunication Regulatory Commission (BTRC) has decided to lower the call charge for public service short codes by 77.5 % to BDT 0.45 from BDT 2 a minute. The telecom watchdog also plans to fix the voice tariff at BDT 1 per minute—down from BDT 2—for short codes used by private organisations.
- However, seven designated public toll-free numbers were kept out of this list: they would continue to be free like before. After taking the decisions in two separate meetings, the BTRC has recently directed all mobile operators to implement the new rates.
- But the telecom operators have opined that the move will create extra pressure on their revenue basket. Short code is a three or five-digit number that the government entities or business houses use to deliver their service automatically and in a much hassle-free way round-the-clock. The BTRC used to allocate this number under the country's number plan.
- Currently, there are 72 government agencies that have short code services and only seven of them are toll free, meaning they do not charge customers for the calls. Bangladesh Police, the Anti-Corruption Commission, Department of Disaster Management, Bangladesh Election Commission, child helpline service, National Legal Aid Services Organization and the Ministry of Women and Children Affairs use the toll-free codes.

KEY POINTS	Public toll-free numbers to remain free
	New rates to squeeze revenue, telecom operators say
	72 government agencies have short code services
	3 govt short codes charge at Tk 0.5 a minute, the rest at Tk 2
	Banks, non-banks use 25 such codes at Tk 2-2.34 a minute

<https://www.thedailystar.net/business/news/massive-cuts-short-code-tariffs-1813423>

BPDB running four costly power units defying BERC

Regulator decreed shutting the plants in Nov 2017

The Financial Express, October 14, 2019

- The state-run Bangladesh Power Development Board (BPDB), has kept four of its most expensive diesel-fired power plants operational defying the energy regulator's instruction to shut those. The Bangladesh Energy Regulatory Commission (BERC) had set a deadline in late 2017 to terminate operations of the plants, having a total electricity generation capacity of 140 megawatts (MW), by June 2018.
- But the BPDB is still continuing electricity generation from these high-cost power plants, arguing that electricity crisis will loom large in the areas where the plants are located, if these are closed. During the previous electricity tariff hike in November 2017 the BERC had asked the BPDB to shut operations of Bheramara 60 MW, Barisal 40 MW, and Rangpur 20 MW and Syedpur 20 MW plants.
- All these power plants were commissioned over 30 years ago. The BPDB has long been generating electricity by keeping the plants operational, although their electricity generation costs soared to around BDT 40 per unit or one kilowatt-hour. The BPDB has to count around BDT 6.0 bn every year to keep these power plants operational.
- The BERC also asked the BPDB to take measures to utilise the manpower, involved with these power plants. The directive from the commission to shut the high-cost oil-fired power plants to reduce overall electricity generation cost was the first in the country's history.
- The government also awarded private sector sponsors several gas-fired power plants, to be set up on rental basis. Most of these power plants were awarded on the basis of unsolicited offers under the Speedy Supply of Power and Energy (Special Provision) Act 2010, having the provision of providing immunity to those involved with the quick-fix remedies.

<http://thefinancialexpress.com.bd/trade/bpdb-running-four-costly-power-units-defying-berc-1571025223>

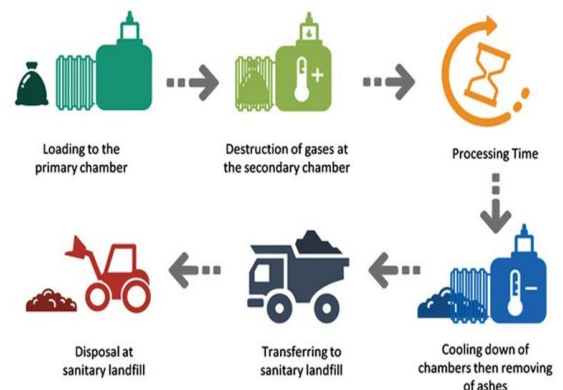
66pc manufacturing units lack waste management system: Survey

The Financial Express, October 14, 2019

- Sixty-six % of country's manufacturing industries have no waste management systems of their own, posing serious threat to the environment and sustainable business, a government survey reveals.
- The Survey of Manufacturing Industries 2018, conducted by state-run Bangladesh Bureau of Statistics (BBS), also showed that only 34 % of industries in the country have waste management systems.
- Micro, small and medium-scale industries are worst performers as only 17 %, 39 % and 53 % of them have waste management system respectively, it added. Performance of large industries was good, but 31 % (940 units) of them still have no waste management plants, according to the survey.

WASTE MANAGEMENT

Process of Industrial Waste Treatment



- Bangladesh Institute of Development Studies (BIDS) researcher Iqbal Hossain said apart from human health perspective, modern chemical and waste management is vital for sound business too. Sound management of chemicals and waste is an important component of UNDP's efforts to achieve SDGs.

<http://thefinancialexpress.com.bd/trade/66pc-manufacturing-units-lack-waste-management-system-survey-1571028889>

International

World Bank slashes India's growth forecast to 6pc

New Age, October 14, 2019

- The World Bank on Sunday slashed its growth forecast for India's current fiscal year to 6 %, down from 7.5 %, warning that the 'severe' slowdown could further weaken the country's stuttering financial sector.
- In its last forecast in April, the bank said that India's economic outlook was strong and expected growth of 7.5 % during the current fiscal year that began in April.
- But Asia's third-largest economy is currently growing at its slowest pace in six years, expanding by just 5 % in the April-June quarter, hit by flagging consumer demand and a slackening in government spending. India's industrial output also shrank at its fastest rate in more than six years in August, data released last week showed, indicating that a slew of government measures had yet to underpin a recovery.
- In an effort to kick-start the economy, India's central bank has cut interest rates five times this year, and underlined the challenge for policymakers by downgrading its growth forecast to 6.1 % from 6.9 % earlier this month.
- Last week, ratings agency Moody's Investors Service lowered its growth forecast for India to 5.8 % for the current fiscal year from 6.2 %, adding that a long period of weak growth would hamper the government's fiscal consolidation plans.

<http://www.newagebd.net/article/87593/world-bank-slashes-indias-growth-forecast-to-6pc>

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Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

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