

Stock Market

Dhaka Stocks dip but turnover hits 14-month high

New Age, January 15, 2019

- Dhaka stocks dropped on Monday after a surge in the previous session as investors went for selling shares to book profits but the turnover at Dhaka Stock Exchange hit a 14-month high. DSEX, the key index of DSE, lost 0.40 per cent, or 23.98 points, to close at 5,836.23 points on Monday after gaining 62.91 points in the previous session.
- The core index gained 618 points in last 18 sessions. Average share prices of cement, non-bank financial institution, bank and telecommunication dropped by 0.93 per cent, 0.31 per cent, 0.24 per cent and 0.22 per cent respectively. The investors' confidence over the market has improved in recent days, making the average daily turnover at Tk 900 crore after the December 30 national elections.
- The turnover on the bourse advanced to Tk 1,146.32 crore on Monday compared with that of Tk 973.94 crore in the previous trading session. Monday's turnover was highest after November 20, 2017 when it was at Tk 1,158.49 crore.
- Average share prices of food, energy and general insurance advanced by 0.92 per cent, 0.45 per cent and 0.16 per cent respectively. Share prices of Olympic Industries has been rising in recent weeks amid a rumour that British brand Cadbury, the second largest confectionery brand in the world, would buy Olympic.
- Besides, share prices of JMI Syringe has been also rising as the company disclosed that NIPRO Corporation of Japan had shown its interest to subscribe to 1,11,00,000 ordinary shares of JMI Syringes Of the 336 companies and mutual funds traded on Monday, 202 declined, 122 advanced and 21 remained unchanged.
- DSE blue-chip index DS30 lost 0.21 per cent, or 4.43 points, to close at 2,025.99 points. Shariah index DSES shed 0.24 per cent, or 3.28 points, to finish at 1,326.58 points. Olympic Industries led the turnover leaders with its shares worth Tk 39.58 crore changing hands on the day. Khulna Power Company, BBS Cables, Singer Bangladesh, JMI Syringe, BRAC Bank, Shasha Denims, United Power Generation Company, Active Fine Chemicals and Dhaka Bank were the other turnover leaders.
- United Finance gained the most on the day with a 10-per cent increase in its share prices, while United Air was the worst loser, shedding 8.82 per cent.

<http://www.newagebd.net/article/61809/dhaka-stocks-dip-but-turnover-hits-14-month-high>

Nahee Aluminum's IPO project to go operation tomorrow

The Financial Express, January 14, 2019

- Initial public offering (IPO) funded project of Nahee Aluminum Composite Panel is set to go commercial operation from tomorrow (Tuesday), officials said. The company has imported required capital machineries for manufacturing the product of "Aluminum False Ceiling" by utilizing the said IPO proceeds and using the own fund of the company which has already been installed in the factory, said an official disclosure posted on the Dhaka Stock Exchange website on Monday.
- The commercial production will be started from the new machineries with effect from January 15, 2019, said the disclosure. According to the disclosure, annual production capacity of the new machineries for Aluminum False Ceiling is 83 lac sq.ft., with market value of about Tk 500 million approximately.
- As a result of this new product, revenue of the company is expected to increase by 30 per cent to 40 per cent from existing revenue, it added. The company raised its paid-up-capital through IPO of Tk 150 million in 2017 with a view to repayment of term loan, establishment of new building and improving new plant and machineries for false ceiling production line of the company.

- Each share of the company, which was listed on the DSE in 2017, closed at Tk 70.10 on Sunday. In the last one year, the company's share price hovered between Tk 45 and Tk 86.30 each. The company approved 7.0 per cent cash and 10 per cent stock dividend for the year ended on June 30, 2018. Its earnings per share (EPS) rose to Tk 0.94 for July-September 2018 as against Tk 0.66 for July-September 2017.
- The net operating cash flow per share (NOCFPS) was Tk 0.37 for July-September 2018 as against Tk 0.01 for July-September 2017. The net asset value (NAV) per share was Tk 15.72 as on September 30, 2018 and Tk 14.78 as on June 30, 2018. The company's paid-up capital is Tk 528 million and authorised capital is Tk 1.20 billion, while the total number of securities is 52.80 million.

<http://thefinancialexpress.com.bd/stock/nahee-aluminums-ipo-project-to-go-operation-tomorrow-1547446263>

Dhaka Stock Exchange rebalances DSEX, DS30

The Financial Express, January 14, 2019

- The prime bourse has decided to include 15 new companies in its broad index, DSEX, and replace three companies in the blue chip index, DS30 as part of its annual and semi-annual rebalancing of the indices. The Dhaka Stock Exchange (DSE) reconstituted the indices in line with DSE Bangladesh Index Methodology designed by S&P Dow Jones Indices, a global leader in providing investable and benchmark indices to the financial markets. The methodology is also supervised by a DSE panel.
- The restructuring will occur every year, and the DSEX will from now include 283 companies, after the latest reforms come into effect on January 20, the DSE said in a statement. The 15 companies, which will be included to the DSEX, are: Nahee Aluminum Composite Panel, Alif Industries, SK Trims & Industries, VFS Thread Dyeing, Oimex Electrode, Pragati Insurance, Advent Pharma, Intraco Refueling Station, Aman Cotton Fibrous, Silva Pharmaceuticals, Asia Pacific General Insurance, Queen South Textile Mills, M.L. Dyeing, Sonargaon Textiles and United Insurance Company.
- On the other hand, 17 existing companies will be excluded from the DSEX for failing to meet regulatory criteria. They are: Agrani Insurance, Aramit Cement, Asia Insurance, Bangladesh General Insurance Company, The Dacca Dyeing and Manufacturing Co, Eastern Insurance, First Finance, Imam Button Industries, Meghna Pet Industries, Mithun Knitting and Dyeing, Monno Jute Staffers, Premier Cement Mills, Reliance Insurance, Shyampur Sugar Mills, Takaful Islami Insurance, Tallu Spinning Mills and Zeal Bangla Sugar Mills.
- Also, the DSE will add three companies to the DS30 index, a list of blue-chip companies, and exclude existing three, after the semi-annual rebalancing of the index, as per criteria set by S&P Dow Jones Indices. The new three companies, which will be included to the DS30, are: Pubali Bank, BBS Cables and Confidence Cement while existing companies -- Al-Arafah Islami Bank, Heidelberg Cement Bangladesh and Orion Pharma will be excluded from the DS30. This re-balance will also be effective from January 20, 2019.

<http://thefinancialexpress.com.bd/stock/dhaka-stock-exchange-rebalances-dsex-ds30-1547446142>

BB sells \$1.22b in 6 months to prop up taka

The Daily Star, January 15, 2019

- The central bank has continued to sell dollars to banks to meet their soaring demand thanks to a spike in import payments. As of yesterday, the Bangladesh Bank sold \$1.22 billion to banks this fiscal year to arrest the depreciation of the local currency against the greenback.
- In fiscal 2017-18 the central bank had injected \$2.31 billion -- the highest since fiscal 2009-10. Economists and bankers said the country's foreign exchange market might see more turbulence in the days ahead because of the rising trend of imports.

- Despite the bulk injection of the greenback, the taka continues to depreciate: the inter-bank exchange rate stood at Tk 83.95 per USD yesterday, up from Tk 83.90 on January 3. The interbank exchange rate was Tk 82.80 a dollar on January 14 last year.
- The lenders were also forced to revise the selling rate for bills for collection (BC) -- which is the rate at which banks make import payments -- several times in the last five months with a view to avoiding losses from the foreign exchange business.
- In October last year, banks set the BC selling rate at Tk 80.80, which shot up to Tk 83.95 this month. Southeast Bank is facing hardship in following the cap of the BC selling rate imposed by the central bank because of unavailability of the dollars needed to settle import payments, said M Kamal Hossain, its managing director.
- In the first five months of the fiscal year, export earnings stood at \$16.77 billion against the import payments of \$23.43 billion. Between July and November, remittance increased 9 percent year-on-year to \$6.28 billion, according to data from the central bank. On January 9, foreign exchange reserves stood at \$31 billion, down \$32.07 billion a year earlier, according to central bank statistics.

<https://www.thedailystar.net/business/news/bb-sells-122b-6-months-prop-taka-1687729>

Economy

China mum about DFQF facility for BD

Dhaka stands to lose as Beijing drags its feet

The Financial Express, January 14, 2019

- China remains silent about extending duty-free and quota-free (DFQF) access of Bangladeshi products to its market, though Dhaka agreed to sign a 'letter of exchange' nine months ago. Despite repeated reminders from Bangladeshi trade officials over the period, their Chinese counterparts did not respond accordingly, officials said
- In April last, Bangladesh had decided to avail such a facility by discarding the benefits it enjoys in the Chinese market under the Asia-Pacific Trade Agreement (APTA). The duty-free and quota-free market access, extended to other countries, covers 97 per cent tariff lines in China.
- Subsequently, a note was sent to China expressing the country's intention to sign the 'letter of exchange' for availing the facility. However, since then China has not been responding to Dhaka's communiqué in this connection. A senior official at the ministry of commerce told the FE they contacted Chinese embassy officials in Dhaka verbally and in writing on several occasions.
- According to officials, China offered duty and quota-free facility for 60 per cent tariff lines to all the least-developed countries (LDCs) in 2010 under the sixth ministerial council declaration of the World Trade Organisation (WTO) held in 2005 in Hong Kong.
- Later, it extended the facility to 97 per cent tariff lines for the LDCs, which had signed the letter of exchange with it by 2015. In this case, Beijing noted that LDCs who would sign the letter of exchange would not be eligible for any further benefits under any other multilateral or regional pacts in the Chinese market.
- The LDCs that had signed the letter of exchange after the deadline were granted such a facility for 95 per cent tariff lines. As Bangladesh and Mauritania did not sign such a document, the two countries still entitled to facility for 60 per cent of their tariff lines. Another trade official said since Bangladesh is likely to graduate to the developing country status by 2024, there is a scope for enjoying the facility for five more years.

<http://thefinancialexpress.com.bd/trade/china-mum-about-dfqf-facility-for-bd-1547523696>

Tech trends that will rule 2019

The Daily Star, January 15, 2019

- People will witness commercial advances of 5G (fifth generation) mobile technology in 2019 along with six others that will together dominate the technological industry and consumption of digital services across the world. This year people will spend more time on screens, the usage of artificial intelligence will increase largely, and industrial customers of internet of things will witness transition from prototypes, according to a report of Telenor Research, an arm of Telenor Group.
- Mobile-driven green technology has been creating awareness among consumers, it said. Telenor Group is the parent company of Bangladesh's largest mobile phone operator Grameenphone. The report points out that transition from text-based chatbots to voice-activated ones and advanced algorithms will enable the creation of doctored photos and videos or deepfake content.
- Chatbot is a computer programme that simulates human conversation through artificial intelligence, while deepfakes are manipulated digital videos that overlay another person's face onto a body or change what people actually said. As Bangladesh continues its journey in attaining its vision of a Digital Bangladesh, the country is expected to experience these new global trends, said a panel of speakers yesterday at a programme while unveiling the report at Grameenphone office in Dhaka.

<https://www.thedailystar.net/business/news/tech-trends-will-rule-2019-1687744>

Govt waives SIM replacement taxes under MNP service

The Financial Express, January 15, 2019

- The government has waived all taxes and supplementary duties imposed against every SIM card replacement through the Mobile Number Portability (MNP) service. The Internal Resources Division of the finance ministry published a gazette notification on Monday exempting the MNP services from all taxes on several conditions, reports UNB.
- The MNP is a service through which customers can switch from one mobile operator to another mobile while keeping their number unchanged. The government introduced MNP service in the country in October. After its introduction, the government took decision to reduce its service charge to Tk 57.50 from Tk 157.50.
- As per the conditions mentioned in the new gazette, now all mobile phone operators will have to send their previous month's information over the total stock of SIM cards, the number of subscribers who were ported in and ported out through MNP services as well as information over changing SIM cards for other reasons and collection of taxes and duties against it, to Bangladesh Telecommunication Regulatory Commission in the first week of every month.
- Also the mobile operators will have to send names and number of subscribers who were ported in and ported out availing the MNP services in line with the conditions. In an instant reaction, the leading mobile network operator, Robi Axiata Limited, said the decision for removal of SIM replacement taxes through MNP service is very positive step.

<http://thefinancialexpress.com.bd/trade/govt-waives-sim-replacement-taxes-under-mnp-service-1547481459>

Bandwidth usage goes up 94pc

Expansion of broadband, 4G play the major role

The Daily Star, January 15, 2019

- Bandwidth consumption in Bangladesh soared 94 percent year-on-year to 970 gigabits per second (Gbps) in 2018 thanks to the expansion of fixed broadband and rollout of 4G telecom services. The figure stood at only 300 Gbps at the end of 2016.
- Bandwidth is a measure of how much data a network can transfer. Internet providers denote bandwidth speeds in millions of bits per second, or megabits (Mbps), and billions of bits per second, or gigabits (Gbps). The higher the bandwidth, the faster the speed.
- The number of active internet connections was 8.05 crore at the end of 2017, which rose to 9.18 crore in November 2018, according to data from Bangladesh Telecommunication Regulatory Commission (BTRC). The country now has 57.35 lakh active broadband connections and they are the major consumers of data.
- Bangladesh Submarine Cable Company Ltd (BSCCL), a state-run venture that owns two submarine cable connections, supplies around 62 percent or 605 Gbps of the country's total bandwidth consumption. The rest of the bandwidth comes from India through six international terrestrial cable service providers based in Bangladesh.
- The BSCCL is supplying 285 Gbps from its first cable in Cox's Bazar and 320 Gbps from the second one in Kuakata that started operations in 2017, said Mashiur Rahman, managing director of the BSCCL. In the July-September period of 2017, the company's earnings per share was only Tk 0.03. It hit Tk 0.04 in the next period, Tk 0.47 in the three months to September in 2018 and Tk 0.50 in the next three-month quarter.

<https://www.thedailystar.net/business/news/bandwidth-usage-goes-94pc-1687738>

International

China's exports shrink most in 2yrs

New Age, January 15, 2019

- China's exports unexpectedly fell the most in two years in December, while imports also contracted, pointing to further weakness in the world's second-largest economy in 2019 and deteriorating global demand. Adding to policymakers' worries, data on Monday also showed China posted its biggest trade surplus with the United States on record in 2018, which could prompt President Donald Trump to turn up the heat on Beijing in their bitter trade dispute.
- Softening demand in China is being felt around the world, with slowing sales of goods from iPhones to automobiles, prompting warnings from the likes of Apple and from Jaguar Land Rover, which last week announced sweeping job cuts mostly in Britain.
- The dismal December trade readings suggest China's economy may have cooled faster than expected late in the year, despite a slew of growth-boosting measures in recent months ranging from higher infrastructure spending to tax cuts. Some analysts had already speculated that Beijing may have to speed up and intensify its policy easing and stimulus measures this year after factory activity shrank in December.
- China's December exports unexpectedly fell 4.4 per cent from a year earlier, with demand in most of its major markets weakening. Imports also saw a shock drop, falling 7.6 per cent in their biggest decline since July 2016. Asian shares and US stock market futures fell as the surprisingly weak Chinese data added to fears of weaker corporate profits and investment, while the yuan currency gave up some of its early gains.
- China's politically-sensitive surplus with the US widened by 17.2 per cent to \$323.32 billion last year, the highest on record going back to 2006, according to Reuters calculations based on customs data. China's large trade surplus with

the United States has long been a sore point with Washington, which has demanded Beijing take steps to sharply reduce it.

- Washington imposed import tariffs on hundreds of billions of dollars of Chinese goods last year and has threatened further action if Beijing does not change its practices on issues ranging from industrial subsidies to intellectual property. China has retaliated with tariffs of its own. However, Beijing's export data had been surprisingly resilient to tariffs for much of 2018, possibly because companies ramped up shipments before broader and stiffer US duties went into effect.

<http://www.newagebd.net/article/61803/chinas-exports-shrink-most-in-2yrs>

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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
Mr. Monir Hossain Research Associate	monir@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.