

Stock Market & Company

BB governor assures DCCI of stock market stabilising moves

NewAge, January 15, 2019

- Bangladesh Bank governor Fazle Kabir on Tuesday assured the Dhaka Chamber of Commerce and Industry representatives that the central bank would take measures for the development of the country's capital market and stabilising the market.
- The central bank will review all of the proposals it received from the capital market stakeholders and take the best possible measures so that all stakeholders are benefited, he said. The DCCI new board of directors led by its president Shams Mahmud called on the governor at the BB headquarters in Dhaka.
- The meeting also discussed the implementation of the single-digit interest rate, liquidity situation in the banks and the country's overall private sector investment situation.
- Meeting sources said that BB governor assured the business leaders that the central bank would take measures what would be effective for the capital market in the long term.
- Stakeholders have put forwarded a number of proposals, including Tk 10,000 crore fund for the brokerage houses, to the central bank for the development of the ailing capital market.
- Besides, the central bank is also planning to make some recommendations for the long-term sustainability of the capital market to the government, they said.
- At the meeting, Mahmud said that though GDP growth crossed the mark of 8 per cent, private sector investment remained stagnant at 22 per cent to 23 per cent of GDP. A slowdown in the private sector credit growth which was only 9.87 per cent in last November and higher interest rate aggravated the overall private investment, he said.
- In the meeting, BB banking reform adviser SK Sur Chowdhury, DCCI senior vice-president NKA Mobin, directors Andaleeb Hasan, Arman Haque, Deen Mohammed, Enamul Haque Patwary, Md Al Amin, Monowar Hossain, Nuher L Khan, Shamsuzzoha Chowdhury, SM Zillur Rahman and Waqar Ahmad Choudhury, among others, were present.

<https://www.newagebd.net/article/96587/bb-governor-assures-dcci-of-stock-market-stabilising-moves>

HC ORDER ON AUDIT CLAIM DISPUTE

Robi pays BTRC Tk 27.60cr in first installment

NewAge, January 15, 2019

- Mobile operator Robi on Tuesday paid Tk 27.60 crore to the Bangladesh Telecommunication Regulatory Commission as the first out of five instalments of Tk 138 crore against the BTRC's audit claim as per a High Court order.
- The High Court on January 5 directed Robi Axiata Limited, the second largest mobile operator in the country, to pay in equal five instalments in five months Tk 138 crore out of the telecom regulator's audit claim amounting to Tk 867.23 crore. Robi was supposed to pay the first instalment by January 31.
- BTRC chairman Md Jahurul Haque said that they received the cheque for the amount from the operator.

- He said that the regulator would now start issuing to the operator no objection certificates (NOC) required for various purposes as the operator started making payment as per the court direction. The BTRC will also issue NOC to Grameenphone if the operator pays the dues, he said.
- ‘We have made deposit of the first instalment to the BTRC today [Tuesday], honouring the ad-interim ruling of the High Court,’ Robi chief corporate and regulatory officer Shahed Alam said in a statement issued on the day.
- ‘Considering the untold suffering endured by our customers, we have decided to make this deposit payment well ahead of the stipulated time for making the first instalment,’ he said, adding, ‘We strongly believe this abundantly shows that we are a compliant company that operates following the rules and regulation of the country.’ ‘However, we still maintain that the audit report is devoid of even the semblance of rationality,’ Shahed said.
- ‘Therefore, we are determined to exhaust the legal recourse available to us and hope that we will be able to reclaim the deposit we are making today in due course,’ he said, adding, ‘Furthermore, our shareholders may independently explore other legal options available to them to seek justice in this regard.’
- The firm, a joint venture of Toha Khan Zaman and Co Chartered Accountants, calculated that GP had not paid Tk 12,579.95 crore to the BTRC and the National Board of Revenue since 1997.

<https://www.newagebd.net/article/96571/robi-pays-btrc-tk-2760cr-in-first-installment>

Md Abdul Karim elected IPDC chairman

The Daily Star, January 15, 2019

- He has twice served as chairman of Green Delta Insurance and a senior adviser of Brac. The former principal secretary also served as managing director of Palli Karma-Sahayak Foundation.
- Karim obtained a Master of Science degree in chemistry from the University of Chittagong, Bangladesh and a Master of Social Science degree in Development Administration from the University of Birmingham, UK.

<https://www.thedailystar.net/business/news/md-abdul-karim-elected-ipdc-chairman-1854211>

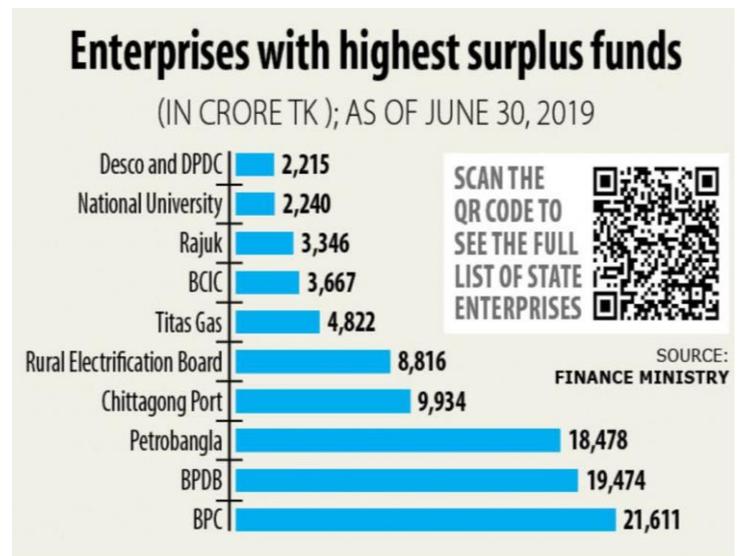
Economy and Industry

Govt moves to use surplus funds of state organisations

The Daily Star, January 15, 2019

- The government yesterday placed a bill in parliament with a view to bringing the surplus money held by 61 state agencies to the national exchequer and utilising the funds to implement development projects.
- Finance Minister AHM Mustafa Kamal placed the bill titled “Deposition of Surplus Money of Self-Governed Agencies including Autonomous, Semi-Autonomous and Statutory Government Authorities and Public Non-Financial Corporations to the National Exchequer Bill 2020”.
- The bill was sent to the parliamentary standing committee on finance to examine and report back to the house within seven days.
- The surplus funds will be deposited to the national exchequer after keeping aside the operational cost, additional 25 percent of the operational cost as emergency funds, money for general provident fund and pension, according to the bill. The respective organisation can estimate its operational cost.

- The agencies have been included in the bill and they will have to deposit the funds to the national exchequer within three months of completion of a fiscal year. Agencies have parked huge amounts of money in banks as deposits and the government needs the money to finance ongoing development projects, it said.
- The government has undertaken many development projects and only regular revenue incomes is not enough to bankroll them. So, the government utilises the fund for the development projects.
- The draft law was approved by the cabinet in early September, when the cabinet secretary said state-owned autonomous organisations held Tk 212,100 crore in deposit in banks as of May last year.
- They held Tk 218,839 crore at banks until June 30 last year, according to finance ministry statistics. The cabinet decision, however, evoked reaction from bankers, who fear the law would hit the cash-starved banking sector hard.



<https://www.thedailystar.net/business/news/govt-moves-use-surplus-funds-state-organisations-1854250>

9PC LENDING RATE

Deposit receipt at 6pc interest big challenge: bankers

The Daily Star, January 15, 2019

- Ensuring the availability of deposits at the rate of 6 per cent interest would be a big challenge for the implementation of the single-digit lending rate for all the sectors, top executives of the country's banks said on Tuesday.
- They raised the issue at the banker's meeting held on the day at the Bangladesh Bank headquarters with BB governor Fazle Kabir in the chair. Most of the top executives of the central bank (BB) and the scheduled banks were present.
- The bankers also demanded that the central bank keep small and retail loans along with credit cards outside the purview of the single-digit interest rate implementation.
- They came up with the demand as finance minister AHM Mustafa Kamal recently announced that the banks would have to implement the single-digit lending rate from April 1 this year for all sectors.
- After Tuesday's meeting, Eastern Bank managing director and chief executive officer Ali Reza Iftekhar told reporters, 'We have informed the central bank about the challenges which banks might face when the lending at 9 per cent interest would be implemented.'
- Mentioning that the banks were bound to implement the single-digit lending rate, Iftekhar, also chairman of the Association of Bankers Bangladesh, said that the availability of deposits at the rate of 6 per cent

would be a big challenge. Once deposits, especially the government agencies' fund, are made available at 6 per cent interest rate, it would be comfortable for the banks to implement the lending rate, he said.

<https://www.newagebd.net/article/96585/deposit-receipt-at-6pc-interest-big-challenge-bankers>

BB to relax rules for unintentional defaulters

Governor says at meeting with new DCCI board

The Daily Star, January 15, 2019

- The loan payment process will be eased for unintentional defaulters if they have valid grounds for their failure to clear the loans, said Bangladesh Bank Governor Fazle Kabir yesterday. The law has clearly defined what will be considered a nonperforming loan (NPL) and who will be called wilful and unintentional loan defaulters, he said.
- Entrepreneurs, who failed to repay loans for reasons they cannot be held responsible for, such as delays in getting utility connections and in loan approval process, might get special consideration, he said.
- Kabir spoke at a meeting with the newly elected board of directors of Dhaka Chamber of Commerce and Industry (DCCI) when they came to meet with him at his central bank office in Dhaka.
- As the Bangladesh economy mostly depends on the banking financial system, the government plans to bring down the lending interest rate to single digit from April this year, he said.
- The government has also taken various infrastructure development projects where private sector's intervention would be much appreciated, he said. Recently, the National Board of Revenue withdrew stamp duty, which will help flourish the country's bond market system.
- Despite an over 8 percent growth of the gross domestic product, private investment has remained stagnant at 22-23 percent of the GDP, Shams Mahmud, the newly elected DCCI president, said at the meeting. The situation is aggravated by the slowdown in the private sector credit growth, which was 9.87 percent in November 2019.

<https://www.thedailystar.net/business/news/bb-relax-rules-unintentional-defaulters-1854238>

International

US-China deal details to be published after signing

NewAge, January 12, 2019

- The full text of a partial US-China trade deal will be released only after it is signed next week, the White House said on Friday. After nearly two years of escalating conflict, US president Donald Trump and top Chinese trade envoy Liu He are due to sign a 'phase one' agreement on January 15.
- 'The whole document will be released Wednesday,' Larry Kudlow, director of the National Economic Council, told reporters.
- The signing will be preceded by a formal dinner and followed by a lunch, he added, calling the agreement a major achievement.

- Since the trade war started in the first half of 2018, talks between Washington and Beijing broke down acrimoniously more than once, creating doubts the economic powers would have the appetite to reach a 'phase two' agreement.
- Trump said this week that negotiations on the next phase would begin promptly but that signing that agreement might have to wait until after the 2020 presidential elections.
- Details of the deal are scant, but some critics have claimed it amounts to a strategic retreat for the United States, which cancelled some tariffs and reduced others in return for Chinese pledges to increase purchases of US exports by USD200 bn over two years, including farm goods in particular.

<https://www.newagebd.net/article/96280/us-china-deal-details-to-be-published-after-signing>

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