

## Stock Market

### Dhaka stocks rise again as financial scrips leap

New Age, January 16, 2019

- Dhaka stocks gained on Tuesday with the turnover hitting Tk 1,100 crore again as investors went on buying shares, especially from the financial sectors amid optimism. DSEX, the key index of DSE, gained 0.46 per cent, or 27.04 points, to close at 5,863.27 points on Tuesday after losing 23.98 points in the previous session.
- The core index gained 645 points in last 19 sessions. The trading at the market opened with positive vibe that went downward soon after, but returned with momentum amid late hour buying pressure as investors went on investing in the capital market.
- The investors became excited after seeing the continuous bull-run in the market, making the average daily turnover at Tk 900 crore with a daily average gain of 45 points after the December 30. The core attention of the investors was on the financial scrips as the financial results of the companies are approaching.
- Average share prices of non-bank financial institution and bank advanced by 1.64 per cent and 0.40 per cent respectively. Out of 30 bank scrips, 21 advanced, six declined and three remained unchanged while out of 23 NBFIs, 21 advanced, just one declined and one remained unchanged.
- The turnover on the bourse slightly fell to Tk 1,139.31 crore on Tuesday compared with that of Tk 1,146.32 crore in the previous trading session. 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. On the other hand, share prices of food, telecommunication and textile sectors dropped by 0.7 per cent, 0.6 per cent and 0.3 per cent respectively.
- Of the 336 companies and mutual funds traded on Tuesday, 147 declined, 159 advanced and 38 remained unchanged. DSE blue-chip index DS30 added 0.15 per cent, or 3.07 points, to close at 2,029.07 points. Shariah index DSES gained 0.30 per cent, or 4.03 points, to finish at 1,330.62 points.
- Khulna Power Company led the turnover leaders with its shares worth Tk 45.62 crore changing hands on the day. BBS Cables, Olympic Industries, Active Fine Chemicals, FAS Finance, Al-Haj Textile, BRAC Bank, JMI Syringe, United Power Generation Company and Singer Bangladesh were the other turnover leaders. United Finance gained the most on the day with a 10-per cent increase in its share prices, while Beximco Synthetics was the worst loser, shedding 6.66 per cent.

<http://www.newagebd.net/article/61884/dhaka-stocks-rise-again-as-financial-scrips-leap>

### BSEC allows Popular Pharma to discover cut-off price for IPO

New Age, January 16, 2019

- The Bangladesh Securities and Exchange Commission on Tuesday allowed Popular Pharmaceuticals Ltd to explore the cut-off price of its shares through electronic bidding under the book building method of initial public offering. The commission at a meeting, presided over by its chairman M Khairul Hossain, gave the permission to the company which wants to raise Tk 70 crore through IPO.
- Under the electronic bidding process, in which only the institutional investors participate, the cut-off price of the shares of an IPO-seeking company is set based on the bids submitted by the investors. Although the institutional investors are supposed to purchase shares of that company at the cut-off price, the individual investors get scope for purchasing the scrip at 10 per cent discounted price through IPO.

- The pharma company will use the IPO proceeds to purchase machinery, repaying bank loans and meeting expenditure for IPO process. The company's weighted average earning per share was Tk 2.18 and net asset value per share Tk 42.98 (including reevaluated reserve) and Tk 31.28 excluding reevaluated reserve. IDLC Finance Ltd is the issue manager for the company's IPO.

<http://www.newagebd.net/article/61886/bsec-allows-popular-pharma-to-discover-cut-off-price-for-ipo>

## IFIL launches 3 investment and deposit products

New Age, January 16, 2019

- Islamic Finance and Investment Limited on Tuesday launched three new investment and deposit products to facilitate customers and provide better financial service. The company launched the products at a press conference held at National Press Club in Dhaka.
- The country's first Shariah based non-bank financial institution, IFIL, brought one deposit product— Mudaraba Asan Deposit Scheme, and two investment products— Raha and Silaa Ul Istihlaq, in the financial market, said its managing director and chief executive officer Abu Zafare Md Saleh. The product is very much flexible unlike other deposit scheme in the sense that the client can deposit any amount at anytime in this scheme and the profit must be counted on daily basis, said the CEO.
- Raha, an investment facility, will support the opening and retirement of letter of credit amount to purchase and acquisition of raw materials, capital machinery, commercial vehicles and heavy equipment of the clients against L/C opened and maintained with other banks, he said.
- Under Silaa Ul Istihlaq, the product is offered to purchase commodity items to resale in the market to fulfill the seasonal demand of the market, he added. IFIL vice chairman Anis Salahuddin Ahmad, executive committee chairman Anwar Hossain Chowdhury, director Liaquat Hossain Moghul, Deputy managing director Muhammad Ruknuzzaman, and company secretary SQ Bazlur Rashid were present on the occasion.

<http://www.newagebd.net/article/61887/ifil-launches-3-investment-and-deposit-products>

## Economy

### Govt to allow LNG import in pvt sector

*Importers to fix prices*

The Financial Express, January 16, 2019

- The government would soon open the import of liquefied natural gas (LNG) to the private sector, enabling them to sell the fuel to clients of their choice. A lawmaker for three straight terms since 2008, Mr Hamid has been serving as a state minister holding the same portfolio for two consecutive terms since 2014.
- The demand for natural gas in industries and power plants is mounting in line with the steady growth of gross domestic product (GDP). The GDP was more than 6.0 per cent in the past one decade and it crossed 7.0 per cent during the past three financial years.
- Bangladesh started importing LNG since April 24, 2018, with the arrival of US giant Excelerate Energy's "Excellence" with 136,000 cubic metres of lean LNG from Qatar at Moheshkhali Island terminal. The Petrobangla, however, started imports from Qatar's RasGas regularly since September 09 after successfully feeding regasified LNG to consumers from August 18.

- Currently, some 300 million cubic feet per day (mmcf) of regasified LNG is being supplied to the national grid to feed consumers based in Chattogram city. Bangladesh will need to import around 30 million tonnes of LNG per year to meet the growing local demand by 2041 as domestic gas reserves are depleting fast.
- This was disclosed by a report prepared by Copenhagen-based research firm Ramboll in association with Geological Survey of Denmark and EQMS Consulting Limited. The regasified LNG would be used to feed sectors like industries, power and fertiliser plants, it said.
- Bangladesh aspires to become a developed country by 2041 after achieving all necessary economic growth. Bangladesh's current natural gas production from domestic fields is hovering around 2,750 mmcf against the demand of around 4,000 mmcf, according to Petrobangla.

<http://thefinancialexpress.com.bd/trade/govt-to-allow-lng-import-in-pvt-sector-1547611380>

## Team to recommend ways to reduce classified loans

The Financial Express, January 16, 2019

- Financial Institutions Division (FID) under the Ministry of Finance has formed a three-member team to recommend how to reduce the volume of classified loans in the country's banking system. The members of team met with the senior officials of Bangladesh Bank (BB) on Tuesday just a day after forming the high-powered body, officials said
- On Monday, the FID assigned its joint secretary Md. Rizwanul Huda as chief of the team, they added. At the meeting, officials from both the central bank of Bangladesh and the FID discussed about amendment of three acts -- Banking Companies, Bankruptcy and Artha Rin Adalats (Money Loan Courts) for settling the cases within the shortest possible time-frame.
- The meeting also discussed how to expedite Alternative Dispute Resolution (ADR) system to help settle of loan disputes, they added. Deputy Governor of the BB Ahmed Jamal led the central bank officials at the meeting. The team is scheduled to meet top executives of four leading state-owned commercial banks (SoCBs) on the same ground, according to the FID officials.
- The new finance ministry's moves came against the backdrop of rising volume of the default loans in the country's banking system in the recent months. The volume of NPLs jumped by nearly 34 per cent or Tk 250.67 billion to Tk 993.70 billion as on September 30, from Tk 743.03 billion as on December 31, 2017, according to the BB data
- The share of classified loans also rose to 11.45 per cent of the total outstanding loans during the period under review from 9.31 per cent nine months ago. The default loans include substandard, doubtful and bad/loss of total outstanding credits, which stood at Tk 8,680.07 billion as on September 30, 2018, from Tk 7,981.96 billion as on December 31, 2017.

<http://thefinancialexpress.com.bd/trade/team-to-recommend-ways-to-reduce-classified-loans-1547611577>

## ADP spending rises in Dec

The Daily Star, January 16, 2019

- Development spending picked up in December amid the fervour surrounding parliamentary polls on December 30 after being on the slow lane in the first four months of fiscal 2018-19. A planning ministry official said, actually the finance and the planning ministries took some measures from the start of the current fiscal year to boost ADP implementation, which started to come into effect from November.
- The official said the political leadership was busy with electioneering but the government machinery involved with development administration did their job properly for increasing development spending. In December Tk 13,207 crore was spent from the annual development programme (ADP), which was Tk 12,623 crore in November

- This is in contrast to the Tk 6,216 crore spent on average by the ministries and divisions in the previous four months of fiscal 2018-19. ADP implementation in the preceding four months was lower than that of each month last year. Development spending in December of last fiscal year was Tk 11,334 crore and in November it was Tk 9,182 crore, according to data from the Implementation, Monitoring and Evaluation Division
- Last month's expenditure takes the ADP implementation in the first six months of the fiscal year to 27.4 percent, up from 27.02 percent a year earlier. The ministries and divisions spent Tk 49,645 crore against a total outlay of Tk 180,869 crore in the July-December period.
- In June, the finance division empowered the project directors to release the first two quarters' funds by themselves instead of waiting for approval from the ministries or divisions, an exercise that takes up two to three months. Of the total amount spent in the first six months, Tk 28,905 crore came from the government's own funds, which is 25.58 percent of what the government intends to spend this fiscal year.
- The implementation of the government's own funds a year earlier was 23.42 percent. Some Tk 17,834 crore was spent from foreign aid, which is 29.72 percent of the allocation. At this point a year earlier, foreign aid utilisation was 32.97 percent of the total outlay. This time performance of state-owned enterprises improved. They spent Tk 2,905 crore in the first six months of the fiscal year, which is 36.92 percent of their allocation. It was only 25.12 percent a year earlier.

<https://www.thedailystar.net/business/news/adp-spending-rises-dec-1688029>

## Internet growth hits 3-year low

The Daily Star, January 16, 2019

- The growth of new internet connections fell 21.58 percent year-on-year to 1.09 crore in 2018, a three-year low. Industry insiders blamed the fall on the restriction imposed on digital services ahead of the national polls, as the sector lost 11.18 lakh active mobile connections in the last two months of 2018
- This was the first time the internet industry in Bangladesh has observed a negative growth for two consecutive months. If the restriction had not been there, internet use would have continued growing keeping pace with the economy, industry people said.
- The number of active mobile connections also fell by 0.03 percent to 15.69 crore in December from the previous month. Only Grameenphone posted positive growth in the last month of 2018, while the market share of the three other operators shrunk.
- As of December, there were 9.13 crore active internet connections, of which 8.55 crore was mobile internet, 57.35 lakh broadband and the rest WiMax, according to data from the Bangladesh Telecommunication Regulatory Commission. Since its launch in February 2018, the country now has 1.17 crore fourth generation (4G) mobile internet users.

<https://www.thedailystar.net/business/telecom/news/internet-growth-hits-3-year-low-1688026>

## Number of MNP subscriptions drops for 2nd month in Dec

New Age, January 16, 2019

- Customers' appetite for mobile number portability, or MNP service has waned a bit within three months of its launch due to high opportunity cost, shows the statistics of Bangladesh Telecommunication Regulatory Commission. The total number of opt-in for the service by the customers shows that it declined to 29,258 in December, while the

figure was 44,312 in October, the first month after the service was launched, and 32,773 in November, the second month after the launch.

- In October-December period of the year 2018, 1,06,343 mobile phone users have successfully used the service and switched to a new operator. At the same time, another 85,368 customers also attempted to leave their previous network for a new one but failed on different grounds.
- Robi, the second largest mobile operator, gained about two third of the customers that have switched their operators keeping its existing eleven digits number in first three months of its launch. Government initially fixed MNP service charge at Tk 50 with 15 per cent value-added-tax on the charge along with another Tk 100 in taxes, taking the total charge at the customer's end at Tk 158.
- On Monday, government, however, issued a circular withdrawing Tk 100 in taxes on the MNP service following a proposal from the telecom regulator to make the service popular. In three months, it received 72,005 mobile users who were earlier using its competitors' networks, while 20,406 customers of the operator left to other operators availing the MNP service.
- On the list of gainers, Banglalink, the third largest mobile carrier of the market, secured the second position. It received 22,325 customers from others networks, while 34,256 users of the 019 network also left. rameenphone, the top player in the market, received 10,491 from other, but at the same time 49,658 customers also left its network. Additionally, 32,846 customers also unsuccessfully tried to leave their network.

<http://www.newagebd.net/article/61885/number-of-mnp-subscriptions-drops-for-2nd-month-in-dec>

## International

### China signals more stimulus as economic slowdown deepens

New Age, January 16, 2019

- China on Tuesday signalled more stimulus measures in the near term as a tariff war with the United States took a heavy toll on its trade sector and raised the risk of a sharper economic slowdown. The world's second-largest economy will aim to achieve 'a good start' in the first quarter, the National Development and Reform Commission (NDRC) said in a statement, indicating the government is ready to counter rising pressure. Central bank and finance ministry officials gave similar assurances.
- Surprising contractions in China's December trade and factory activity have stirred speculation over whether Beijing needs to switch to more forceful stimulus measures, though most analysts believe the government is wary of steps that could heighten debt risks and weaken the yuan. Data on Tuesday showed credit growth remains stubbornly weak, with several key gauges hovering around record lows despite months of policy easing.
- Some analysts believe China could deliver 2 trillion yuan (\$296.21 billion) worth of cuts in taxes and fees, and allow local governments to issue another 2 trillion yuan in special bonds largely used to fund key projects. Most, however, expect the fresh stimulus will take months to start feeding through the world's second-largest economy, with a turnaround not expected till spring or summer.
- China's growth slowed in 2018 as a years-long campaign to reduce a mountain of debt and crackdown on riskier lending practices pushed up borrowing costs, dampening investment and hurting domestic demand. As the trade war with the United States escalated last year and hit exports, global financial markets went into a tailspin on worries about a sharper China slowdown, though many analysts believe an economic hard landing is unlikely.
- Premier Li Keqiang said China achieved its key 2018 economic targets, which were 'hard-won', and seeks a strong start in the first quarter to help meet this year's goals, according to state television on Monday. The proposed target, to be unveiled at the annual parliamentary session in March, was endorsed by top leaders at the annual closed-door Central Economic Work Conference in mid-December, the sources told Reuters.

- Annual growth of about 6.2 per cent is needed this year and in 2020 to meet the ruling Communist Party's longstanding goal of doubling gross domestic product and incomes in the decade to 2020, and to turn China into a 'modestly prosperous' nation.

<http://www.newagebd.net/article/61891/china-signals-more-stimulus-as-economic-slowdown-deepens>

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