

## Stock Market & Company

### Stocks' plunge halted as investors pause panic sales

NewAge, January 16, 2019

- Dhaka stocks' slide was halted on Wednesday, after hitting 56 months low, as a section of institutional investors became active and investors gave pause to panic selling after some movements from Bangladesh Bank and finance ministry to stabilise the market.
- The DSEX, key index of the Dhaka Stock Exchange, gained by 0.79 per cent, or 31.96 points, to close at 4,068.20 points on Wednesday after losing 176.2 points in the previous two sessions.
- Market operators said some institutional investors, especially state-run Investment Corporation of Bangladesh, became active from the beginning of the day's trading on Wednesday to support the market.
- The institutional investors move came as per directives of the market regulator following the assurance of Bangladesh Bank governor made on Tuesday afternoon that the central bank would extend whatever support it needed to stabilise the stock market.
- Finance ministry senior secretary Ashadul Islam at a meeting with Bangladesh Merchant Bankers Association on Tuesday said that the ministry asked four state-run banks to invest in the capital market to increase fund flow.
- The trading on Tuesday started with bullish trend, gaining 84 points within half an hour of the day, said market operators. They said that many of the general investors, who were in heavy losses, gave a pause to the panic selling on the day seeing the sharp rise of the index.
- Some of the investors, however, went for selling as they continued to be in panic forcing the index to lose some grounds in late hour. Market operators said that although the index ultimately closed in positive territory, most investors still remained worried about the prospect of the market.
- The latest government move to table a bill in parliament to enact a law allowing the government to use the 'surplus funds' of the state-owned enterprises for development, made the investors nervous. The law will allow the government to take up to Tk 30,000 crore from the SoEs, but the move would hit the banks as most of the SoEs deposited their surplus funds with the banks.
- Meanwhile, representatives of Bangladesh Merchant Bankers Association and DSE Brokers Association held a meeting with Bangladesh Securities and Exchange Commission's senior officials to discuss about the current situation in the market. The BMBA and DBA officials said that the foreign sales were not that much significant that was spread in the market.

<https://www.newagebd.net/article/96721/stocks-plunge-halted-as-investors-pause-panic-sales>

### Opp MPs seek PM's intervention in bourse

The Daily Star, January 16, 2019

- Opposition Jatiya Party MP Kazi Firoz Rashid and BNP MP Harunur Rashid in parliament yesterday urged Prime Minister Sheikh Hasina to take steps to save the ailing stock market.

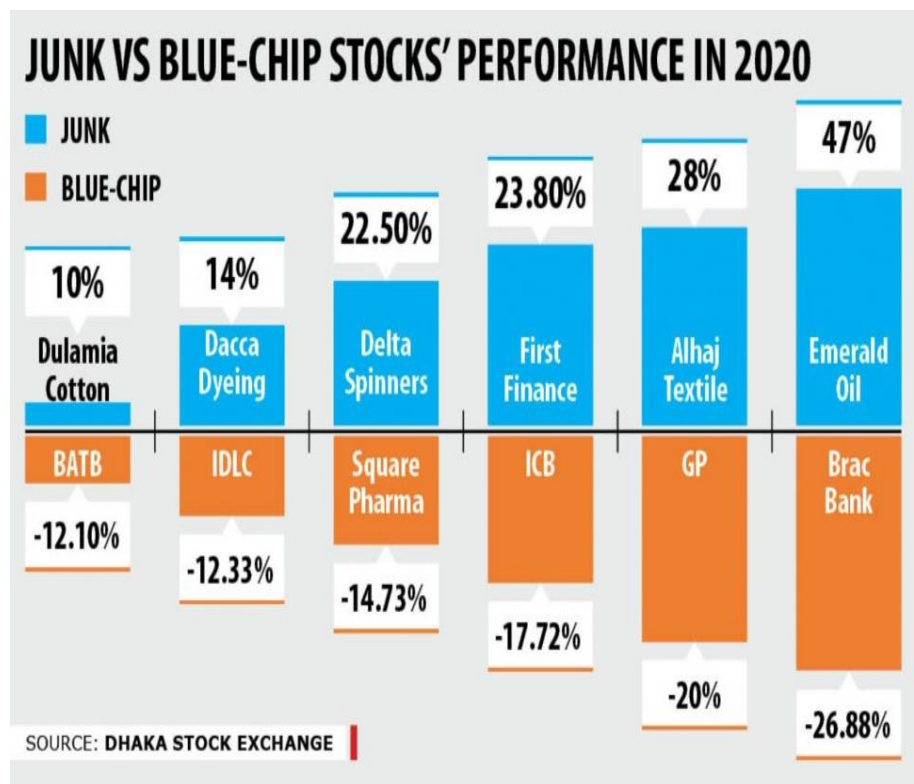
- DSEX, the benchmark index of the Dhaka Stock Exchange, shed 1,882 points, or 31.63 percent, since February last year.
- “If the prime minister intervenes then the share market can be revamped,” Rashid said, adding that there are reports of bourse’s deplorable situation in the media every day.
- Quoting expert opinions he said the absence of good governance was failing to give confidence to investors to put in more money. “This is an ominous sign for the market.”
- The listing of weak companies was causing the fall, Rashid said, while criticising the Bangladesh Securities and Exchange Commission (BSEC) heavily.
- “The BSEC is the authority for this listing. Some merchant banks and issuers are bringing these weak companies in the market.”
- So far no punitive measures have been taken against the BSEC or anyone for bringing such rotten companies.
- He questioned how a Tk 10 share can get listed with Tk 30 in premium, how these shares came to the market, why the issue managers were not being arrested and why the merchant banks were not being held accountable.
- BNP MP Harunur Rashid criticised ministers, including Finance Minister AHM Mustafa Kamal, saying they do not see any devastation in the share market.

<https://www.thedailystar.net/business/news/opp-mps-seek-pms-intervention-bourse-1854724>

## Gamblers having a field day at bourse

The Daily Star, January 16, 2019

- At a time when the premier bourse and well-performing stocks are sinking, at least six stocks are swimming against the tide. Between January 1 and 15, DSEX, the benchmark index of the Dhaka Stock Exchange, shed 385.02 points, or 8.64 percent.
- But the stocks, some of which have shuttered already and some have nothing going for them, keep soaring -- a development that rises suspicion of foul play.
- A vested group spread rumours that junk stocks



will rise and heeding the reports some people bought these shares. In most of the cases, general investors have lost money, so the regulator should take strict steps to stop gambling, he added.

- Data from the Dhaka Stock Exchange shows Emerald Oil, one of the junk stocks, rose about 47 percent in the first half of the current month. And the company informed its stock investors that it has no undisclosed information for which its stock is soaring. At the same time, blue-chip stocks including Grameenphone and Square Pharma sank to their five-year low.
- “If general investors do not invest in junk stocks, gamblers will not be successful,” said Abu Ahmed, a stock market analyst, while advising retail investors to put their money in stocks after doing their due diligence.
- The stock market regulator should be overly vigilant as gambling hurt investor confidence, the main reason for the sliding stock market, said Ahmed, also a former chairman of the University of Dhaka’s economics department. A top official of the Bangladesh Securities and Exchange Commission yesterday said they keep a close watch on the market and whenever they spot unusual activity or violation of rules and regulations they take actions.

<https://www.thedailystar.net/business/news/gamblers-having-field-day-bourse-1854742>

## **Sajjad becomes AB Bank AMD**

NewAge, January 16, 2019

- Sajjad Hussain has recently been promoted as additional managing director (AMD) of AB Bank, said a press release. Sajjad joined the bank in 2014 as DMD (operations) and chief risk officer, it said.
- He started his career with American Express Bank Ltd Bangladesh as head of credit operations (loan administration) in 1984. He worked there in different capacities over a period of 14 (fourteen) years and lastly, held the position of senior director and country operations officer of the bank.
- He worked with American Express Bank Ltd, US from 1999 to 2005 where he served as operations consultant in New York and manager operations in Miami.
- Sajjad joined ONE Bank in 2008 as senior executive vice-president and head of operations and later served as deputy managing director (operations) at Dhaka Bank from 2011 till joining AB Bank. He holds bachelor’s and master’s degrees in English literature from Dhaka University.

<https://www.newagebd.net/article/96681/sajjad-becomes-ab-bank-amd>

## **Rashed becomes Standard Bank MD, CEO**

NewAge, January 16, 2019

- Khondoker Rashed Maqsood has been appointed managing director and CEO of Standard Bank Limited, said a press release.
- Prior to joining SBL, he was the managing director of NRBC Bank and also worked as the managing director & city country officer of Citibank NA Bangladesh.
- He started his career with American Express Bank as a management trainee in 1992.
- Rashed has held senior management positions in different capacities as corporate banking group and financial institutions group head at Citibank NA.

- He served at the bank as director and head of global transactions in Bangladesh and managing director of Citibank NA Jakarta office in Indonesia.
- In 2011, he was appointed managing director and Citi country officer of the Citibank, Bangladesh.
- He was also an adviser to the board of directors of MIDAS Finance Ltd. Rashed completed his MBA in finance from the Institute of Business Administration of Dhaka University in addition to a BCom from the university.

<https://www.newagebd.net/article/96682/rashed-becomes-standard-bank-md-ceo>

## Economy and Industry

### More tax facilities for private power plants

The Daily Star, January 16, 2019

- The government has extended more tax facility to private power plants with the view to making their energy cheaper to purchase. The National Board of Revenue relaxed the condition of tax holiday for the private sector power generation companies except coal-based power plant last week.
- According to gazette notification, under the existing policy the power plants would have to go for generation within December 2019. But, the revised notification extended the condition for start of commercial generation to December 2022.
- Under the rules, the private power generation companies will get five types of tax facilities, including tax holiday on their income from power until December 2034. The foreign employees who work in the power plant will get a three-year tax holiday. Besides, the company will get tax waiver on interest of foreign loan, royalty, technical know-how and technical assistance fee.
- The total power generation capacity of 137 public-private power plants is 19,000 megawatt (MW). Of them, 80 private power plants have generation capacity of 9,000 MW, according to power division official. Another 28 private power plant are under contraction and 12 plant are waiting for approval stage. Besides, 18 public sector power plants are under construction, whose generation capacity is 8,900 MW.
- The government is providing subsidy of about Tk 10,000 crore every year. On the other hand, the government has to increase the price of power, raising the expenditure of general people. A high official of the power division said they will not reduce the dependency on private sector for power but they will ensure the least cost of power.

<https://www.thedailystar.net/business/news/more-tax-facilities-private-power-plants-1854730>

### Accord to finally pack bags in May

The Daily Star, January 16, 2019

- The Accord on Fire and Building Safety in Bangladesh, the platform of more than 190 mostly Europe-based retailers formed after the Rana Plaza building collapse, is finally leaving the country this May.
- Originally scheduled to leave at the end of its five-year tenure in May 2018, the platform wanted to stay on for three more years, which the government was opposed to. Accord took the matter to court and managed to win an extension until February 13, 2020. But it will depart for good in May.

- A national collaborative committee with representation of brands, unions and industry leaders will take over Accord's monitoring duties, according to Rubana Huq, president of the Bangladesh Garment Manufacturers and Exporters Association (BGMEA).
- "We are taking over from Accord all of its resources and will follow their protocols but it will be based on the national context," she added.
- The agency essentially checked and recommended Corrective Action Plan (CAP) for fire, electrical and structural loopholes in the garment industry of Bangladesh after the deadly industrial accident that claimed 1,134 lives and injured another 2,000.
- It recommended CAP to more than 1,600 garment factories and ensured remediation for the workplace safety. Many of the garment factories failed to remediate as per the recommendations by the Accord experts and engineers because of their bad financial condition. Some of the factories were closed down, too.
- But, most of the companies in Bangladesh followed the CAP and remediated their factories as per the recommendations.

<https://www.thedailystar.net/business/news/accord-finally-pack-bags-may-1854739>

## International

### US, China sign trade deal

NewAge, January 16, 2019

- US president Donald Trump, and China's vice premier Liu He, the country's top trade negotiator, shake hands as they sign trade agreements between the US and China during a ceremony in the east room of the White House in Washington, DC on January 15, 2020. — AFP photo
- After nearly two years of conflict between the world's two dominant economic powers, the United States and China signed a trade truce on Wednesday, letting businesses around the globe breathe a sigh of relief.
- US president Donald Trump, who currently faces an impeachment trial and then a tough reelection bid later this year, called the agreement 'momentous.' But tariffs on hundreds of billions of dollars in imports remain in place, leaving American consumers and businesses to foot the bill.
- The 'phase one' agreement includes pledges from China to beef up purchases of American crops and other exports, provides protections for US technology, and new enforcement mechanisms.
- As Trump ambled through a lengthy commentary on the deal, punctuated by introductions of many officials involved in the negotiations, major networks switched away from the White House to the Congress to show the presentation of articles of impeachment in the Senate as the first step towards a trial.
- The easing of US-China trade frictions has boosted stock markets worldwide in recent weeks, as it takes the threat of new tariffs off the table for now.
- 'In phase two there will be additional roll backs,' Mnuchin said on CNBC early Wednesday. 'This gives China a big incentive to get back to the table and agree to the additional issues that are still unresolved.'
- Still, elements of the deal the administration has touted as achievements effectively take the relationship between the two powers back to where it was before Trump took office.

<https://www.newagebd.net/article/96739/us-china-sign-trade-deal>

## **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>

## Disclaimer

*This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.*

## About Bank Asia Securities Ltd

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).

## 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

## BASL Networks

### Head Office

Hadi Mansion (2nd 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

### Bijoynagar Extension

Prime Tower (3rd Floor),  
180-181  
Dhaka-1213  
Phone: +8801716180767

### Khulna Branch

28, Sir Iqbal Road (1st Floor)  
Khulna  
Phone: +88-041-731208-9

For International Trade & Sales, please call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at [research@basl-bd.com](mailto:research@basl-bd.com).