

## Stock Market

### Stocks keep falling as investors 'lose' trust in regulator

Investors take to streets demanding Khairul's resignation

New Age, April 17, 2019

- DSEX, the key index of Dhaka Stock Exchange, plunged by 1.14 %, or 60.55 points, to close at 5,248.91 points on Tuesday after losing 16.91 points in the previous session. The index was lowest after December 19 last year, when it was at 5,242.56 points.
- Of the 345 issues traded at DSE on Tuesday, 253 declined, 59 advanced and 32 remained unchanged. The share prices of Reckitt Benckiser plummeted by 19.4 % or BDT 615 to finish at BDT 2,501 each after the multinational company declared 700 % cash dividends for the 2018 with a fall in profits.
- The prices of the company's shares shot up from BDT 2,400 on February 25 to BDT 3,589 on April 9 amid the rumour that like BATBC, the low paid-up company might declare bonus dividend. The average share prices of all the sectors declined on the day.
- The share prices of energy, pharmaceuticals, telecommunication, non-bank financial institution and bank plunged by 1.9 %, 1.7 %, 1.5 %, 1.3 %, and 0.7 % respectively. Among the large capitalised companies, a slump in the share prices of GP, United Power Distribution Company, Square Pharmaceutical and Investment Corporation of Bangladesh fuelled the volatility on the day.
- The turnover on the bourse decreased to BDT 269.91 crore on Tuesday from that of BDT 296.02 crore in the previous trading session. DSE blue-chip index DS30 also plunged by 1.29 %, or 24.54 points, to close at 1,876.81 points.
- Fortune Shoes, Bangladesh Submarine Cable Company, Reckitt Benckiser, Square Pharmaceuticals, Grameenphone, Esquire Knit Composite, BRAC Bank, Shurwid Industries and Monno Jute Staffers were the other turnover leaders. Standard Ceramic Industries gained the most on the day with a 9.98-% increase in its share prices while Reckitt Benckiser was the worst loser, shedding 19.44 %.

<http://www.newagebd.net/article/70088/stocks-keep-falling-as-investors-lose-trust-in-regulator>

### MNCs show mixed trend in recommending dividend

The Financial Express, April 15, 2019

- The multinational companies (MNCs) listed with the stock exchanges have performed mixed in recommending dividend for the year ended on December 31, 2018. The amounts of dividends recommended by some MNCS have declined, while the dividends of some other companies increased compared to previous year.
- The companies have recommended dividends ranging between 10 % and 700 %. Of the MNCs, the British American Tobacco Bangladesh Company (BATBC) has recommended the highest amount of dividend.
- The BATBC has recommended 500 % cash and 200 % stock dividend. Two companies have recommended stock dividend despite the MNCs usually prefer the recommendation of cash dividend. The companies whose dividends increased for 2018 maintaining their growth trend are BATBC, Linde Bangladesh and Grameenphone.
- The company has also reported EPS of BDT. 166.87, NAV per share of BDT. 492.15 and NOCFPS of BDT. 150.13 for the year ended on December 31, 2018 as against BDT. 130.50, BDT. 385.21 and BDT. 162.22 respectively for the same period of the previous year.
- Linde Bangladesh has recommended 375 % cash dividend. The company has also reported EPS of BDT. 65.96, NAV per share of BDT. 293.90 and NOCFPS of BDT. 76.87 for the year ended on December 31, 2018 as against BDT. 62.60, BDT. 241.54 and BDT. 76.13 respectively for the same period of the previous year.

- Grameenphone has recommended 280 % cash dividend. The company has also reported EPS of BDT. 26.04, NAV per share of BDT. 31.38 and NOCFPS of BDT. 44.74 for the year ended on December 31, 2018 as against BDT. 20.31, BDT. 26.01 and BDT. 42.78 respectively for the same period of the previous year.
- Heidelberg Cement Bangladesh has recommended 75 % cash dividend for the year ended on December 31, 2018. The company has also reported EPS of BDT. 14.33, NAV per share of BDT. 82.68 and NOCFPS of BDT. 11.32 for the year ended on December 31, 2018 as against BDT. 14.21, BDT. 83.17 and BDT. 14.09 respectively for the same period of the previous year.

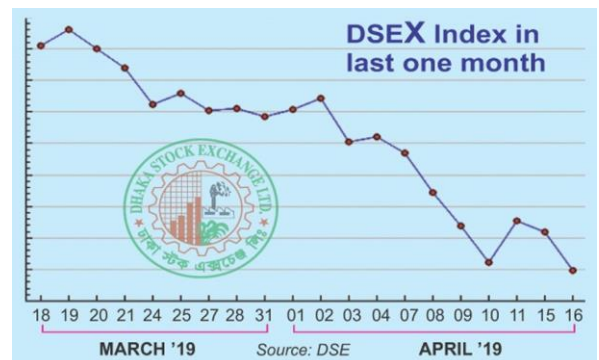
<http://thefinancialexpress.com.bd/stock/mncs-show-mixed-trend-in-recommending-dividend-155538818>

## Stock market erosion persists

Turnover at DSE plummets to 13-month low

The Financial Express, April 17, 2019

- Turnover at the country's premier bourse plummeted to a 13-month low on Tuesday as many investors 'refrained' from taking part in transactions amid ongoing price correction. On the day, turnover at the Dhaka Stock Exchange (DSE) was at BDT 2.69 bn, the lowest since March 08, 2018.
- Following the price correction witnessed by listed companies belonging to all sectors, the DSE broad index DSEX also shed 1.14 % or 60.55 points to close at 5248.91 points. The market opened on a negative note on Tuesday and the main index experienced a free fall for around three hours.
- Later, the market tried to bounce back but failed to overcome the loss and finally closed the session with a notable loss. The DSEX lost 5.0 % or 274 points in last nine sessions during April 2 to April 16, 2019. The DSE featured a turnover of over BDT 2.73 bn on March 08, 2018.
- The DSE's turnover on Tuesday was the lowest one since March 08, 2018, according to DSE information. Meanwhile, a section of general investors staged demonstration in front of the DSE on Tuesday protesting the continuous fall in price.



<http://thefinancialexpress.com.bd/stock/stock-market-erosion-persists-1555473057>

## TIN not mandatory for BO accounts: NBR

The Daily Star, April 16, 2019

- The tax authority has not made opening taxpayer identification number (TIN) mandatory for stock investors, allaying the fears of general investors. Following the media reports earlier this month about TIN becoming compulsory for investing in the capital market, the Dhaka Stock Exchange plunged to its three-month low on April 3 as general investors panic sold.
- As part of the consultation, the NBR recently sat with representatives of the DSE and the Bangladesh Insurance Association (BIA). At the meeting, the DSE, responding to a question from the NBR chairman, said those who have BO accounts have TINs, while representatives from the BIA informed that TIN is compulsory for opening insurance policy. Later, it was published in the newspaper that TIN is being made mandatory for stock investors.

<https://www.thedailystar.net/business/tax-and-customs/news/tin-not-mandatory-bo-accounts-nbr-1730812>

## **GP refrains from paying govt's audit demand**

New Age, April 17, 2019

- Mobile phone operator Grameenphone on Tuesday told Bangladesh Telecommunication Regulatory Commission that its BDT 12,579.95-crore audit demand to GP was 'unfounded' and was made 'without any legal basis'. The telecom operator made the claim in a letter sent to BTRC on the day as it refrained from paying the regulatory claim.
- Requesting withdrawal of the demand letter involving BDT 12,579.95 crore, GP called for discussion with the regulator to find an amicable resolution. GP issued a media statement on Tuesday stating its reply to the telecom regulator's demand letter issued on April 2.
- In the letter to GP, BTRC asked the mobile phone operator to clear the dues within 10 days. The commission said that its claim to the mobile operator stood at BDT 8,494.01 crore and the operator owed another BDT 4,085.94 crore to National Board of Revenue for the 1996-2017 period.
- The claim originated from an information and systems audit, conducted by Toha Khan Zaman & Co, on GP's operations from its inception in 1997 till December, 2014.

<http://www.newagebd.net/article/70090/gp-refrains-from-paying-govts-audit-demand>

## **Pran exporting toiletries to 4 more countries**

The Daily Star, April 16, 2019

- Sun Basic Chemicals Ltd (SBCL), a concern of Pran-RFL Group, has recently started exporting Swift, Glitter, Livana and Ray-branded toiletries products to four more countries. After India, Nepal and Bhutan, the company is now exporting its toiletries to Fiji, Vanuatu, Solomon Islands and the Maldives, according to a statement.
- SBCL's products also received good response in the domestic market for their quality. Modern technology and global standard formulations are being used to manufacture the toiletries products, the statement added.

<https://www.thedailystar.net/business/news/pran-exporting-toiletries-4-more-countries-1730791>

## **Doreen Power acquires 99.90pc shares of Chandpur Power**

The Financial Express, April 17, 2019

- The board of Directors of Doreen Power Generations and Systems Limited in its board meeting held recently has decided to acquire 99.90 % shares of Chandpur Power Generations Limited. The company had 60 % ownership before this decision, said a statement.
- The board of directors has adopted un-audited financial statements for the third quarter ended on 31 March 2019. Consolidated EPS was BDT. 1.45 for January-March 2019 as against BDT.1.72 for January-March 2018 and consolidated EPS was BDT. 5.32 for July 2018-March 2019 as against BDT. 5.53 for July 2017-March 2018.
- Due to lower demand of electricity in national grid, both production and supply of electricity have reduced. As a result, EPS has slightly decreased in the current period compared to last year, as per company source. Currently, the company is supplying 176 mw electricity in the national grid from its existing five power plants.

- Chandpur Power, a 115 MW under construction power plant will commence its commercial operation in next financial year. The management of the company expects that it will generate yearly sales revenue of about BDT.6,000 mn to BDT.7,000 mn by utilising only 70% of its installed capacity and company will earn about BDT.800 mn net profit from this revenue.

<http://thefinancialexpress.com.bd/stock/doreen-power-acquires-9990pc-shares-of-chandpur-power-1555474827>

## SS Steel Limited included in DSEX

The Financial Express, April 17, 2019

- SS Steel Limited has been included in DSEX, the core index of the prime bourse effective from April 23. The change was done in accordance with the DSE Bangladesh Index Methodology, designed and developed by S&P Dow Jones Indices (SPDJI) and thorough supervision by Index Committee of DSE, said a statement.

<http://thefinancialexpress.com.bd/stock/ss-steel-limited-included-in-dsex-1555474604>

## Economy

### Corporate tax: Bangladeshi entrepreneurs pay highest in South Asia

Dhaka Tribune, April 17, 2019

- As per direction of the current budget, a company doing business in Bangladesh has to pay 35% corporate tax, which is 25% for a publicly traded company while the maximum rate extends up to 45% for some sectors
- Bangladeshi entrepreneurs pay the highest corporate tax among the South Asian countries, which they point out as an impediment in the way of attracting new investments.
- As per direction of the current budget, a company doing business in Bangladesh has to pay 35% corporate tax, which is 25% for a publicly traded company while the maximum rate extends up to 45% for some sectors.
- Businesses in other South Asian countries are paying corporate tax ranging between 6% and 15% whereas Bangladesh's corporate tax rate is higher than the global average as well as the Asian average rate.
- According to Tax Foundation data, a Washington-based think tank on US tax policies, the worldwide average statutory corporate income tax rate, measured across 208 jurisdictions, is 23.03% and the Asian average corporate tax rate is 20.65%.



<https://www.dhakatribune.com/business/2019/04/17/corporate-tax-bangladeshi-entrepreneurs-pay-highest-in-south-asia>

## Bangladesh Bank data server at high risk of cyber attack

The Financial Express, April 17, 2019

- The data server of the central bank is found to be at high risk of a cyber attack as hackers have reportedly again installed malware there, officials have said. Malware in the central server of the Bangladesh Bank (BB) creates scope for hacker intrusion and stealing money by placing fraudulent orders, they added.
- In March, the Bangladesh Computer Council (BCC) monitored the server for 21 days and found it to be at "high risk" of compromising, the officials stated. In 2016, for the first time in the country's history, cyber frauds stole \$101 mn from the BB's account with the New York Fed by accessing its network.
- The BB sued Manila-based Rizal Commercial Banking Corporation (RCBC) this February to recover the heist funds. According to sources, the BCC installed a cyber-sensor at the data centre under a memorandum of understanding (MoU) to monitor any possible cyber-attacks.
- Reviewing the information received between March 11 and March 31, computer systems analysts of the council found the presence of malware in the BB's network. They found links between the BB's Internet Protocol (IP) address and suspicious IP addresses of the United States, Russia and the Netherlands.

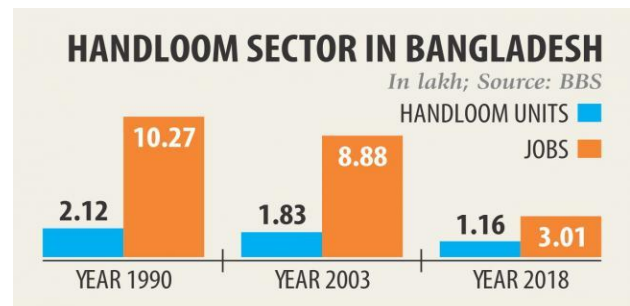
<http://thefinancialexpress.com.bd/economy/bangladesh/bangladesh-bank-data-server-at-high-risk-of-cyber-attack-1555472863>

## Handlooms on the decline

BBS census finds unit numbers down by a quarter in 15 years

The Daily Star, April 17, 2019

- The number of handlooms fell by more than quarter in Bangladesh in the last 15 years, cutting jobs, largely because of the sector's shift towards mechanisation and dearth of labour.
- In 2003, there were 183,512 handloom units but it fell 36.79 % to 116,006 last year, according to the Handloom Census 2018 carried out by the Bangladesh Bureau of Statistics (BBS).
- The government carried out the third countrywide census on handloom last year. The previous two censuses were in 1990 and 2003. According to the latest census report, employment also fell: 888,115 people were employed in the sector in 2003 but it declined by 194 % to 301,157 in 2018.
- Number of women workers fell by 55.78 % to 168,313 and men by 44.22 % to 133,444 during the period. However, in %age, the women's participation in the labour force rose: they made up 44.35 % of the workforce in 1990 and it rose to 46.81 % in 2003 and 55.78 % in 2018.



<https://www.thedailystar.net/business/news/handlooms-the-decline-1730809>

## International

### **Jet Air faces imminent shutdown without emergency funds**

The Daily Star, April 16, 2019

- India's Jet Airways Ltd will be forced to shut down as soon as Wednesday if it does not get emergency funding from its lenders, two sources familiar with the situation said. Bankers and an Indian government official said lenders are scrambling to secure funds to keep the once-dominant Indian airline, whose shares earlier slumped to their lowest levels since August 2015, flying.
- Another source said that Jet's board authorized its chief executive Vinay Dube to go back to its main lender State Bank of India (SBI) one last time to ask for emergency funds. Jet, which did not respond to requests for comment, saw its shares fall by as much as 18.5 % on Tuesday after Indian media reports that its management had advised the airline's board to temporarily suspend operations.
- Indian business channel BTVI said that Jet's board had authorized Dube to seek a minimum of 4 bn rupees (\$58 mn) in interim funding, and to ground the struggling airline if no funds materialized. ET Now reported that the Export-Import Bank of the United States (EXIM) had recalled all loans to Jet and was seeking to repossess all the planes it funded.

<https://www.thedailystar.net/business/global-business/news/jet-air-faces-imminent-shutdown-without-emergency-funds-1730788>



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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

## 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](mailto:research@basl-bd.com).