

Stock Market

Stocks drop for 3rd day on polls-centric worries

New Age, September 17, 2018

- Dhaka stocks slumped on Sunday, extending the losing streak to third session, as a section of investors went on with selling shares amid political worries ahead of the general election, market operators said.
- DSEX, the key index of the Dhaka Stock Exchange, lost 0.66 per cent, or 36.43 points, to close at 5,464.17 points on Sunday. The DSEX lost 79.74 points in last three sessions. The market was positive during the first two and a half hours but began to dip sharply as investors continued selling shares amid the ongoing political tension surrounding the national election due by January next year, market operators said.
- The market posted across the board losses with the average share prices of bank and non-bank financial institutions dropped for another session with 0.6 per cent and 0.12 per cent respectively on Sunday. The share prices of energy, textile and telecommunication sectors also dropped on the day.
- The trading of the shares of ML Dyeing Limited will commence at the DSE today that also prompted some investors to collect cash to buy the company's shares on its debut, market operators said. The turnover on the DSE dropped to BDT 804.33 crore on Sunday compared with that of BDT 1,064.84 crore in the previous trading session.
- Of the 335 companies and mutual funds traded on Sunday, 219 declined, 81 advanced, and 36 remained unchanged. DS30, the blue-chip index of the DSE, also lost 0.45 per cent, or 8.79 points, to close at 1,911.08 points.
- Shariah index DSES shed 0.48 per cent, or 6.14 points, to finish at 1,265.22 points. Khulna Power Company led the turnover chart with its shares worth BDT 61.74 crore changing hands.
- Active Fine Chemicals, Singer Bangladesh, IFAD Autos, BBS Cables, Peninsula Chittagong, Aman Feed, National Life Insurance, Saiham Textile Mills and Shasha Denims were the other turnover leaders. Fine Foods gained the most on the day with a 10-per cent increase in its share prices, while Dragon Sweater was the worst loser, shedding 18.07 per cent.

<http://www.newagebd.net/article/50760/stocks-drop-for-3rd-day-on-polls-centric-worries>

BSEC allows extension of MFs' tenure despite legal challenge

The Daily Star, September 17, 2018

- The Bangladesh Securities and Exchange Commission on Sunday allowed extension of tenure of all the existing closed-end mutual funds by up to 10 years despite legal complexities hanging over such extension. The decision came at a regular commission meeting, presided over by its chairman M Khairul Hossain, amid hectic lobbying by trustees of some of the funds.
- The BSEC meeting decided that the 10-year tenure of the existing closed-end mutual funds could be extended by up to another 10-year term on condition that the total duration of any of the fund would not exceed 20 years from its inception, said a BSEC press release.
- It also said that the mutual funds that were not interested to extend their tenure could be abolished or converted into open-end mutual funds by their existing 10-year tenure as per securities rules. The BSEC decision came after the finance ministry had advised the commission to extend the tenure of the mutual funds by 10 years.
- The ministry had advised the commission to extend the tenure of around 30 mutual funds, which were scheduled to be abolished or be made open-end funds by 2023. The commission decision of tenure extension, however, will be applicable for all 37 mutual funds, said officials.

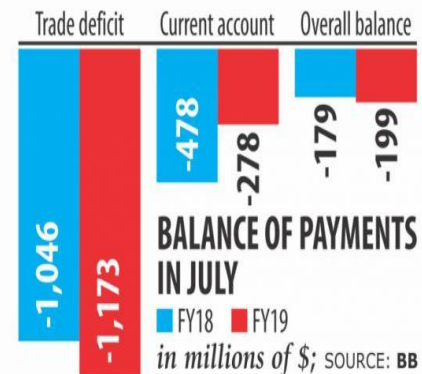
<http://www.newagebd.net/article/50756/bsec-allows-extension-of-mfs-tenure-despite-legal-challenge>

Economy

Trade deficit rises 12pc in July

The Daily Star, September 17, 2018

- Trade deficit jumped 12.14% in July in continuation of the trend seen throughout last fiscal year on the back of higher import payments against slow exports. The gap stood at \$1.17bn in the first month of the current fiscal year, up from \$1.04bn in July last year, according to the latest data from the central bank.
- The country's trade deficit hit \$18.25bn in fiscal 2017-18, the highest in its history. Bankers and experts called for diversifying export basket and exploring new markets in a bid to contain the rising trade deficit.
- Imports stood at \$4.7bn in July, up 17.44% year-on-year. At the same time, exports rose 19.32% to \$3.52bn. Export earnings from garment items accounted for 86% of the total export income in July.
- Imports of unessential products should be discouraged to reduce the trade deficit, said Rahman, also the managing director of Dhaka Bank. The trade gap negatively impacted the current account deficit, which slightly came down in July but was still high mainly because of the higher import payments.



<https://www.thedailystar.net/business/news/trade-deficit-rises-12pc-july-1634752>

Build up capacity of Ctg port

The Daily Star, September 17, 2018

- Bangladesh should work on improving the capacity of its premier seaport to be able to handle the growing export and import activities in the next 5-10 years, analysts said yesterday. The number of container ships and the flow of containers to Chittagong port will almost double to 2,200 in the next five years, they said.
- By that time, the traffic flow on the Dhaka-Chittagong highway will rise by 60%, said Forrest Cookson, an economist and a consultant of the Bangladesh Bureau of Statistics.
- Inflows through land ports will more than double while air cargo will grow by at least three times in seven years, he said while presenting a keynote paper on "Logistics: challenges and solutions" at a seminar.
- Cookson said the Chittagong port has 16 berths for container ships and three of the berths have been operating gantry cranes while another three are being installed. The port will be able to handle 1,250 vessels when the six cranes will start operating, he said, adding that the port can manage 1,100 to 1,200 container vessels a year.
- Cookson suggested that gantry cranes be installed in all the 16 berths so that the Chittagong port can handle the growing number of vessels and increased container flow.

<https://www.thedailystar.net/business/news/build-capacity-ctg-port-1634761>

BFIU seeks bank details of eight

The Daily Star, September 17, 2018

- The country's anti-money laundering agency yesterday asked banks to send account details of eight people allegedly involved in illegally selling and grabbing of a 150-year-old Zaminder Bari in Moulvibazar.
- The Bangladesh Financial Intelligence Unit (BFIU) asked banks to furnish it with the information in seven working days. In August, Ranjit Kumar Roy, one of the owners of the estate, filed a complaint with the BFIU, saying the eight had been trying to illegally sell and grab a portion of the Zaminder Bari located at Barlekha upazila in Moulvibazar. But Radhakanto, also an owner of the estate, provided power of attorney to Lal Miah and Achhar Uddin to sell a fraction of the property.
- The proceeds from the sales were transferred to the account of Rajib Purakayastha, son of Radhakanto. Rajib holds dual US-Bangladeshi citizenship. A BFIU official said the agency was looking into whether the alleged people laundered any money by selling and grabbing the property.

<https://www.thedailystar.net/business/news/bfiu-seeks-bank-details-eight-1634746>

Banks allowed to appoint additional auditors outside BB panel for export subsidy issues

New Age, September 17, 2018

- Bangladesh Bank on Sunday announced that it would allow banks to appoint auditors not registered with the central bank for quick completion of auditing of the export-subsidy issues of apparel and other sectors.
- The BB issued a circular in this regard stating that the banks would be allowed to appoint auditors from the BB-approved auditors' panel like the previous years for issues involving cash subsidy or incentives for the year 2018-2019.
- The banks, however, will be allowed to appoint additional auditors outside the panel for quick disposal of the issues based on rational. In such cases, the banks will have to submit application to the BB.
- Earlier, on September 10 this year, the government announced cash incentives in favour of exporters of 35 products for the current fiscal year of 2018-19, adding nine new items to the product list. In the FY 2017-18, exporters enjoyed the benefit for 26 products.

<http://www.newagebd.net/article/50758/banks-allowed-to-appoint-additional-auditors-outside-bb-panel-for-export-subsidy-issues>

International

Trump 'likely' to announce new China tariffs today: source

New Age, September 17, 2018

- US president Donald Trump is likely to announce new tariffs on about \$200bn on Chinese imports as early as Monday, a senior administration official told Reuters on Saturday.
- The tariff level will probably be about 10 per cent, the Wall Street Journal reported, quoting people familiar with the matter. This is below the 25 per cent the administration said it was considering for this possible round of tariffs.
- The White House did not immediately respond to a request for comment.
- The upcoming tariffs will be on a list of items that included \$200bn worth of internet technology products and other electronics, printed circuit boards and consumer goods including Chinese seafood, furniture and lighting products,

tires, chemicals, plastics, bicycles and car seats for babies. It was unclear if the administration will exempt any of the products that were on the list, which was announced in July.

- Trump had already directed aides to proceed with tariffs, despite Treasury Secretary Steven Mnuchin's attempts to restart trade talks with China. One observer in the business sector said the administration may have reduced its planned tariff level after hearing public comments, hoping companies would not immediately hike prices for consumer goods to pass along the costs. Still, the
- Trump has demanded that China cut its \$375bn trade surplus with the United States, end policies aimed at acquiring US technologies and intellectual property and roll back high-tech industrial subsidies.
- The administration has already levied duties on \$50bn worth of Chinese goods following a study on China's intellectual property practices released earlier this year. On Sept 7, Trump warned that he had further tariffs ready to go on \$267bn worth of Chinese imports beyond those that will be targeted this week. If all of the tariffs were invoked, total imports from China facing tariffs would exceed the \$505bn in goods that the United States imported from China last year.

<http://www.newagebd.net/article/50759/trump-likely-to-announce-new-china-tariffs-today-source>

London mayor calls for second Brexit referendum

- London mayor Sadiq Khan has called for another referendum on Britain's European Union membership, saying the prime minister's handling of Brexit negotiations had become 'mired in confusion and deadlock' and was leading the country down a damaging path.
- Britain is due to leave the EU on March 29. But with prime minister Theresa May's Brexit plans still not accepted, some lawmakers, as well as union and business leaders, are arguing for people to have a final say on any deal with Brussels. May has repeatedly ruled out a second referendum. She says members of parliament will get to vote on whether to accept any final deal.
- The backing of Khan, a member of the main opposition Labour party, for a second referendum will put more pressure on Labour leader Jeremy Corbyn to change his opposition to the idea when the party meets for its annual conference in a week's time. A second referendum, dubbed a 'people's vote' by its proponents, is not Labour party policy, although finance spokesman John McDonnell said last month that no option should be off the table.
- London backed remaining in the EU in the June 2016 referendum that went in favour of leaving.
- Theresa May said on Sunday she was focused on her plan for a relationship with the EU based on a common rulebook for all goods, and that she was 'a little bit irritated' by constant speculation about her position.

<http://www.newagebd.net/article/50799/london-mayor-calls-for-second-brexit-referendum>

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