

Stock Market

Stocks rise for 3rd day amid Kamal's brainstorming meeting

New Age, September 17, 2019

- Dhaka stocks increased for the third day on Monday as investors continued buying shares amid the finance minister AHM Mustafa Kamal's meeting with the financial market regulators and stakeholders to revive the investors' confidence in the market.
- DSEX, the prime index of the Dhaka Stock Exchange, advanced by 0.35 %, or 17.49 points, to close at 4,959.73 points on Monday. The DSEX gained 27 points in last three sessions. But the market remained bearish in recent months.
- The meeting discussed the continued fall in share prices and the ways to improve the situation. The average share prices of telecommunication sector advanced by 0.9 %, non-bank financial institution 0.5 %, textile 0.4 % and bank 0.2 % on Monday.
- A surge in share prices of British American Tobacco, Grameenphone, BRAC Bank and Investment Corporation of Bangladesh contributed to the market remaining afloat.
- Turnover on the bourse inched up to BDT 388.80 crore on Monday from BDT 317.08 crore in the previous session. The average share prices of insurance, energy and engineering sectors dropped on the day. The share prices of two Monno Group companies, Monno Ceramics and Monno Jute Staffers, which are known as 'gambling items' among investors made 'dramatic' movements on the day, said market operators.
- The BSEC on September 12 also sent Monno Ceramics to the spot market with effect from Sunday because of an abnormal rise in its share prices. DS30, the blue-chip index of the DSE, gained 0.96 %, or 16.81 points, to close at 1,755.74 points. DSE Shariah index DSES added 0.11 %, or 1.36 points, to close at 1,155.61 points.
- GQ Ball Pen Industries gained the most on the day with a 9.8-% increase in its share prices while SEML FBLSL Growth Fund was the worst loser, shedding 9.30 %.

<http://www.newagebd.net/article/84763/stocks-rise-for-3rd-day-amid-kamals-brainstorming-meeting>

Finance minister assures good governance in capital market

The Financial Express, September 17, 2019

- Finance Minister AHM Mustafa Kamal has assured that the government will ensure good governance in the capital market. "Bangladesh Securities and Exchange Commission (BSEC) is looking into whatever happened in the past. But, from now on no one can blame us that we don't ensure justice or we're very weak to someone," the minister said.
- The minister said inspired by the prime minister's zero tolerance policy against corruption, the regulatory watchdog of the capital market would pursue proper measures so that the trust and confidence of the general investors on the capital market is restored.
- AHM Mustafa Kamal came up with the remarks on Monday while briefing reporters after holding a five-hour long meeting with all the concerned stakeholders of the capital market at the NEC conference room in the city's Sher-e-Bangla Nagar area, reports BSS.

- BSEC Chairman M Khairul Hossain, Insurance Development Regulatory Authority (IDRA) Chairman Md Shafiqur Rahman Patwari and Financial Reporting Council (FRC) Chairman CQK Mustak Ahmed, officials of the two bourses, among others, attended the meeting.
- Asserting that the government would continue to support the capital market for its development, AHM Mustafa Kamal said that the existing hurdles and challenges of the capital market would be overcome to take the market to a sustainable position on a long-term basis so that it could further advance.
- In this regard, he mentioned that Prime Minister Sheikh Hasina has expressed her sincere willingness that these state-owned enterprises and companies must enter the capital market.
- Replying to another question, he said that the shares of those companies which are witnessing quantum jump of their prices despite having weak fundamentals would be brought under strict monitoring and would not be spared if irregularities are found

<http://thefinancialexpress.com.bd/stock/finance-minister-assures-good-governance-in-capital-market-1568640375>

Govt eyes 300MW rooftop solar power

Rooftops of factories and public agencies to be used

The Daily Star, September 17, 2019

- The government is looking to use the rooftops of factories and public agencies to generate about 300MW of clean electricity through solar photovoltaics (PV) -- a move that can slash emissions and dependency on fossil fuel.
- The move comes at a time when the government is falling behind its target of generating 10 % of electricity by renewable energy by 2020. The share of renewable energy is just 2.83 %, according to Sreda.
- Bangladesh's current power generation capacity is 20,834 MW, with the country remaining heavily dependent on fossil fuels and conventional energy resources to meet its energy demand for a growing economy.
- To increase generation of renewable energy, the government signed power purchase agreements with 11 private firms that took initiatives to establish solar parks. But thus far, only two have started operations.
- A lack of availability of suitable land has been blamed the most for the sluggish progress, according to officials. Germany is one of the big proponents of rooftop solar installation. As of September 2018, total installed capacity of solar systems in Germany is 42,000 MW, of which rooftop solar installation accounts of 71.4 %.

<https://www.thedailystar.net/business/government-eyes-300mw-rooftop-solar-power-1801123>

Economy

July trade deficit eases by 15.6pc

New Age, September 17, 2019

- Country's trade deficit dropped by 15.6 % or \$181 mn in July, the first month of the current fiscal year, compared with that in the same month of last fiscal year due mainly to a dismal state of imports. As per the Bangladesh Bank data released on Monday, the country's trade deficit decreased to \$979 mn in July of FY 2019-20 against \$1.16 bn in the same month of FY 2018-19.
- The fall in trade deficit in July this fiscal was the continuation of the trend observed in last fiscal. In FY19, trade deficit fell by 14.76 % to \$15.49 bn from the record \$18.18 bn deficit in FY18.
- The fall in trade deficit can be considered as a positive sign for the economy but there is no scope for becoming complacent due to the sorry state of imports, especially those of the productivity generating items, capital machinery and industrial raw materials, experts and bankers said.
- Imports witnessed lenient 2.26 % growth in July against 8.11 % growth in export earnings, bringing down the trade deficit significantly. In July this year, import payments were \$4.81 bn against \$4.70 bn in the same month last year.
- On the other hand, export earnings reached \$3.83 bn in the first month of FY20 against \$3.54 bn in the same month of last fiscal year. Of the export earnings, export of readymade garments that constitute 86.5 % of the country's exports increased to 9.68 % to \$3.31 bn from \$3.02 bn.
- Due to the fall in import payments against notable growth in exports, current account balance turned positive \$240 mn in July against negative \$179 mn in the same month of FY19. Besides the current account balance, the country's overall balance also turned positive \$124 mn in July of FY20 against negative \$199 mn in the same month last year.

<http://www.newagebd.net/article/84760/july-trade-deficit-eases-by-156pc>

Credit flow to new SMEs dries up

Lending slips by 15pc in H1

The Financial Express, September 17, 2019

- Credit flowing to new small entrepreneurs fell significantly in the first-half of the year as risk-averse bankers were unwilling to offer such loans. The total lending to the fresh small and medium enterprises sector decreased by more than 15 % to BDT 112.93 bn in the January-June period of the year from BDT 132.90 bn in the same period of 2018, according to the central bank latest statistics.
- All banks and non-banking financial institutions together disbursed the loans to new enterprises in the SME sector. Meanwhile, the number of new enterprises slipped by more than 17 % to 65,350 in the first half of 2019 from 78,822 in the same period last year.
- The government has already formed a high-powered committee to formulate a guideline for facilitating new entrepreneurs along with freelancers of Bangladesh. The committee has been formed recently comprising senior officials from the central bank of Bangladesh, the National Board of Revenue and commercial banks, a senior private banker told the FE.

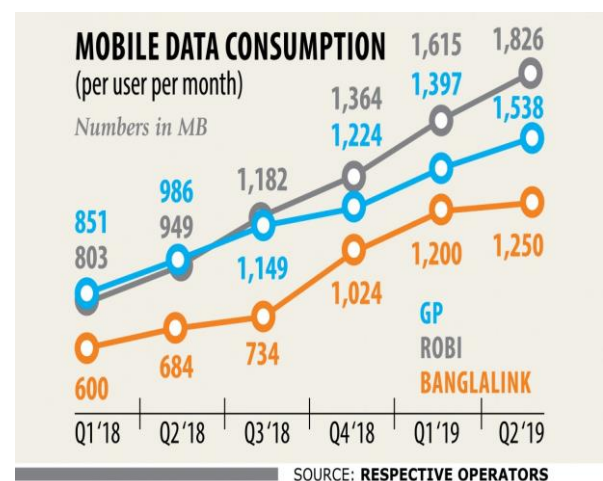
- The central banker also hoped that the disbursement of loans to the new enterprises would increase in the near future following the implementation of the new policies. More than 130 SME sub-sectors such as light engineering, handicraft, flower, fish processing, handloom, rice-mill, jamdani, Rajshahi silk, khadi, biogas, and compost fertiliser received the credit line.

<http://thefinancialexpress.com.bd/economy/bangladesh/credit-flow-to-new-smes-dries-up-1568695954>

Telcos' data revenue surges

The Daily Star, September 17, 2019

- Data revenue for the top three mobile phone operators surged 23 % to BDT 2,862 crore in the first half of the year on the back of fast-expanding 4G coverage. In February 2018, Grameenphone, Robi and Banglalink rolled out the fourth-generation service. State-run Teletalk followed suit in December but it does not make data public.
- In the last 20 months, the 4G service has grown from strength to strength, pushing data consumption up significantly. A subscriber consumes more than 1.5GB of data every month on an average, up from below 1GB at the end of the second quarter last year.
- The second largest operator, Robi, took home BDT 1,062 crore, according to its parent company's quarterly report, which was BDT 799 crore during the same period last year. Banglalink, the third biggest operator, made BDT 429 crore up from BDT 341 crore in the same period in 2018.
- Defying the challenges, a subscriber of Robi used about 1,826 megabytes of data every month in the second quarter, up from 949MB in the same quarter a year ago. Of the 4.79 crore active connections of Robi, 62.8 % used mobile data in June.
- Grameenphone has 3.98 crore data users and they use 1,538MB per month on an average, up from 986MB a month in the second quarter last year. Banglalink's subscribers used 1,250MB per month at the end of June, double from what they consumed every month in the second quarter last year, according to the operator's quarterly report. Teletalk has never published information about its customers' data consumption. It has 4G service only in a few big cities and the coverage is still at a very minimum level.



<https://www.thedailystar.net/business/telecom/mobile-phone-operators-data-revenue-surges-1801117>

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- Bangladesh's current power generation capacity is 20,834 MW, with the country remaining heavily dependent on fossil fuels and conventional energy resources to meet its energy demand for a growing economy.
- To increase generation of renewable energy, the government signed power purchase agreements with 11 private firms that took initiatives to establish solar parks. But thus far, only two have started operations. A lack of availability of suitable land has been blamed the most for the sluggish progress, according to officials.
- Germany is one of the big proponents of rooftop solar installation. As of September 2018, total installed capacity of solar systems in Germany is 42,000 MW, of which rooftop solar installation accounts of 71.4 %. Australia is another leading country in rooftop solar installation. As of June, the contribution of solar rooftop system is about 43 % of total installation.
- Using rooftops of factories 1,000 MW of electricity can easily be generated, he said, adding that the state-owned non-bank financial institution was financing projects for rooftop solar PV for 300 MW. Idcol estimates that generation of 300MW of clean energy would reduce 5.5 mn tonnes of carbon dioxide emission in 20 years.

<https://www.thedailystar.net/business/government-eyes-300mw-rooftop-solar-power-1801123>

Rod price falls on low demand, scrap price slump

The Daily Star, September 17, 2019

- In a surprise development, prices of mild-steel rod fell in Bangladesh owing to lower demand, the fall of raw material prices in global market, and the slow start of development projects in the first quarter of the current fiscal year.
- When the budget for the current fiscal year was unveiled in June, steel millers had been apprehending an average increase of retail price of rod by BDT 9,000 per tonne, owing to a number of new VAT and tax measures and gas price hike.
- They had predicted that the price would go up to BDT 70,000 to BDT 72,000 per tonne. But yesterday, the popular 60-grade rod was selling at BDT 65,000 to BDT 70,000 in markets in Dhaka, whereas the 40-grade MS rod was selling between BDT 57,000 and BDT 60,000, according to the state-run Trading Corporation of Bangladesh.
- But a month ago, the 60-grade rod had been selling at BDT 67,000 to BDT 70,000 and the 40-grade rod at BDT 58,000 to BDT 60,000. The price of scrap, the key raw material for steel, came down to \$361 per tonne from \$389 globally, according to a miller.

- Government consumption of rod dropped in the July-September period. Similarly, the private sector consumption was also down, owing to the slowdown of the real estate sector. Government projects account for 35 % to 40 % of the total steel consumption, while the private sector accounts for 30 % and individual consumers the rest.
- Bangladesh's rod consumption has been growing at a healthy pace in the last couple of years thanks to higher purchasing power of people in the rural areas and an increase in the number of development projects undertaken by the government.

<https://www.thedailystar.net/business/news/rod-price-falls-low-demand-scrap-price-slump-1801084>

International

China's economy strains under disappointing data

The Daily Star, September 17, 2019

- China's economy showed more signs of strain Monday as the country published weak data for industrial output, investment and retail sales, amid a lingering trade war with the United States.
- Industrial output grew by 4.4 % year-on-year throughout August, falling to its lowest level in 17 years and down from 4.8 % in July. The figure was well below analyst expectations, with a Bloomberg survey of analysts predicting heartier growth of 5.2 %.
- Investment in fixed assets saw year-on-year growth of 5.5 % in the first eight months of the year, 0.2 % less than the first seven months, including a slight dip in crucial real estate investment. All three sets of data fell short of analyst expectations, with Bloomberg predicting 7.9 % growth in retail sales and 5.7 % growth in investments.
- China's gross domestic product (GDP) growth slowed to 6.2 % in the second quarter of the year -- the weakest pace in almost three decades.
- The People's Bank of China said earlier this month that it would cut the amount of cash lenders must keep in reserve, in a bid to release more money into the stuttering economy. Washington and Beijing, meanwhile, have extended olive branches ahead of trade war talks next month, with the US delaying a new round of tariffs by two weeks and China exempting some products from punitive duties.

<https://www.thedailystar.net/business/global-business/news/chinas-economy-strains-under-disappointing-data-1801054>

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