

## Stock Market

### Stocks plunge again after single-day break

Dhaka Tribune, October 17, 2019

- DSEX, the key index of premier bourse Dhaka Stock Exchange (DSE), failed to sustain the upward streak of the previous day and settled below 4,800 points on Wednesday. The index witnessed price correction after gaining 110 points in the preceding session amid shaky investors' confidence.
- On Monday, Dhaka bourse saw an exceptional session on the day following news that the Investment Corporation of Bangladesh (ICB) would support the market with BDT200 crore it took from Sonali Bank to restore the investors' confidence.
- DSE Shariah based index DSES declined -0.89% to end at 1,099.8 points, while blue-chip index, DS30 went down by -1.10% to close at 1,685.5 points. Participation in the Dhaka Stock Exchange stood at BDT324.6 crore during the session, which was BDT328.1 crore in the previous session.
- The prime index lost about 1,200 points or 20.8% from its highest hit of 5,950 points, since January 24 this year. On Wednesday, the engineering sector contributed 18.7% of the total turnover while insurance, miscellaneous and pharmaceuticals sectors contributed 18%, 11.4% and 10% respectively, showed the daily market analysis of UCB Capital Management Limited.
- Khan Brothers PP Woven Bag Industries turned out the worst loser with its price declining by -8.8%. The stock was followed by Al-Haj Textile Mills with -8.3%, RN Spinning Mills with -8.3%, Meghna Pet Industries Ltd with -7.8% and Bangladesh Industrial Fin Co Ltd with -7.4%.
- Among the traded issues, 65 gained, 259 declined and 30 remained unchanged during the session in Dhaka Stock Exchange while 59 gained, 159 declined and 29 remained unchanged in Chittagong Stock Exchange. The DSE currently has a market capitalization of BDT360,874 crore with the benchmark index, DSEX down by -11.22% since the beginning of this year.

<https://www.dhakatribune.com/business/stock/2019/10/16/stocks-plunge-again-after-single-day-break>

### NBFIs' private sector credit growth hits all-time low in FY19

New Age, October 17, 2019

- The private sector credit disbursement by non-bank financial institutions dropped to an all-time low in last fiscal year of 2018-2019 due to growing public distrust in the entities and falling credit demand from the sector.
- Growth in the private sector credit through the NBFIs dropped to 4.1 % in FY19, the lowest since FY02, according to the Bangladesh Bank data.
- At the end of last fiscal year, outstanding credit of the NBFIs to the private sector stood at BDT 67,000 crore against BDT 64,400 crore a year ago. Distrust in the NBFIs intensified following their failure in repaying



individual depositors as well as the institutions like banks and the subsequent BB moves to liquidate two NBFIs — Bangladesh Industrial Finance Company Limited and People's Leasing and Financial Services Limited.

- On July 27 this year, the BB received approval from the finance ministry for the PLFS' liquidation. Later, the BB appointed liquidator to PLFS after securing approval from the High Court and the process of liquidation is underway.
- At present, the country has 34 NBFIs with the maiden one was established in 1981. As per a BB stress test report, 13 were in the red zone, 17 in the yellow zone and four in the green zone. To rescue the NBFIs from liquidation, the BB has already issued a number of policy supports including the extension of borrowing limit for them from call money market. Besides, the BB has already instructed banks not to withdraw their deposits from the NBFIs.

<http://www.newagebd.net/article/87867/nbfis-private-sector-credit-growth-hits-all-time-low-in-fy19>

## **BTRC moves to appoint administrators to GP, Robi**

New Age, October 17, 2019

- The Bangladesh Telecommunication Regulatory Commission has taken a move to appoint administrators to mobile operators Grameenphone and Robi over non-payment of audit claims worth BDT 13,446 crore. The BTRC move followed the submission of responses made by the mobile companies to show-cause notices that the commission had served on them.
- In the response to the BTRC show-cause notices, Grameenphone and Robi challenged the legality of the notices served on them which had asked them to reply within 30 days why their licences would not be cancelled for failure to pay the dues.
- The show-cause notices were served on the operators on September 5. The BTRC demanded BDT 12,579.95 crore from Grameenphone and BDT 867.24 crore from Robi in unpaid dues following audits by two auditors appointed by the regulator.

<http://www.newagebd.net/article/87868/btrc-moves-to-appoint-administrators-to-gp-robi>

## **Northern Jute takes big leap in EPS**

*Northern Jute Manufacturing Company Limited (NJMCL)*

Dhaka Tribune, October 17, 2019

- Northern Jute Manufacturing Company Limited (NJMCL), a listed company, has made a turnaround as the export-oriented firm has reported BDT23.29 earnings per share (EPS), which was BDT17.15 last year. on Wednesday, NJMCL recommended 100% cash dividend. However, its share plunged 4.71% or BDT40.5 at Dhaka Stock Exchange (DSE) after the declaration.
- The board of directors of the company recommended 100% cash dividend for the year ended on June 30, 2019. The final approval of the dividend will come at the annual general meeting (AGM) to be held on December 8 at RAOVA Convention Hall-3 (Eagle) in Mohakhali, Dhaka. The record date is November 5, 2019.

- The company also reported net asset value (NAV) per share of BDT80.33 in June 2019 as against negative BDT17.15 for the same period of the previous year. In 2018, the company declared no dividend and was placed in “Z category” from “A category” as a consequence.
- Northern Jute Manufacturing Company, located in Kushtia, was listed with the Dhaka Stock Exchange in 1994. The company's share price closed at BDT820.40 each on Wednesday with a loss of 4.71% or BDT40.5.

<https://www.dhakatribune.com/business/2019/10/16/northern-jute-takes-big-leap-in-eps>

## Economy

### Slow work threatens second oil refinery

The Financial Express, October 17, 2019

- The building of second crude oil refinery with an annual capacity of 3.0 mn tonnes is facing delay, hit by slow construction work. Presently, state-run Eastern Refinery Ltd is the lone operating crude oil refiner of the country, whose capacity is 1.5 mn tonnes a year.
- The cost of the second refinery project has been estimated at US\$1.15 bn (BDT 89.49 bn) and be located in Chattogram. The contract period of the project management consultant has already expired, executing only 20 % of the work it was assigned to do.
- Technip carried out the engineering work for the proposed refinery at a cost of BDT 2.57 bn (US\$ 32.10 mn). The Indian firm is the management consultant of the project and its three-year contract with state-run BPC expired in April 2019.
- To expedite the project work, the BPC on April 19, 2016 assigned the Indian consultancy to manage the project. The BPC on January 18, 2017 assigned Technip to carry out the design work for the proposed refinery. After completing the engineering and design work, Officials said, Technip has proposed the corporation to build the refinery.
- Chinese Sinopec has been considering partnering with Technip to jointly build the refinery. Sinopec has already completed preliminary negotiations with the Technip to build a consortium for the construction, where Technip would be in the lead.

<http://thefinancialexpress.com.bd/trade/slow-work-threatens-second-oil-refinery-1571285910>

### Eight sectors to enjoy advance tax waiver

*MPs to get same benefits for car imports*

The Financial Express, October 17, 2019

- Some eight sectors, including solar panel manufacturers and animal feed manufacturers, will enjoy exemptions from the payment of advance tax at the import stage. The advance tax is payable at the import stage and the importers are allowed to adjust or get refund of the paid taxes from the relevant VAT zones.
- Also, goods imported for personal consumption under the passenger baggage rules and motorised vehicles imported by parliament members under the duty-free benefits will also enjoy the same benefit.

- The National Board of Revenue has issued a regulatory order recently by waiving the tax for the sectors. In the current fiscal year's budget, the value added tax wing under the NBR imposed the taxation at a rate of 5.0 % on most of the products to be imported.
- Solar panel manufacturers will get the waiver from the payment of advance taxes on the import of machinery, spare parts and raw materials. Spinning mills will enjoy the exemption in respect of import of artificial staple fibre. It will resolve discrimination between the exporters without bond licences and those with bond licences.

<http://thefinancialexpress.com.bd/trade/eight-sectors-to-enjoy-advance-tax-waiver-1571284728>

## International

### Malaysia to work diplomatically with India if palm oil imports curbed

New Age, October 17, 2019

- Malaysia would work diplomatically with India if it decided to restrict imports of Malaysian palm oil, prime minister Mahathir Mohamad said on Wednesday, according to the state news agency Bernama.
- Reuters reported last week that India was considering curbing imports of some Malaysian products, including palm oil, after Kuala Lumpur criticised New Delhi for its actions in Kashmir.
- Malaysia is the world's second-largest producer and exporter of palm oil after Indonesia, and India is Malaysia's third-largest market for the oil.
- Some Indian traders said that refiners had already stopped buying Malaysian palm oil for shipment in November and December, fearing higher import taxes or other measures.

<http://www.newagebd.net/article/87876/malaysia-to-work-diplomatically-with-india-if-palm-oil-imports-curbed>

## 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

### 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).