

## Stock Market

### Stocks' plunge continues as political tensions weigh

New Age, September 18, 2018

- Dhaka stocks dropped on Monday, stretching the losing streak to the fourth consecutive session, amid a decline in the turnover as investors continued offloading shares amid political worries ahead of the national election.
- DSEX, the key index of the Dhaka Stock Exchange, lost 0.37%, or 20.36 points, to close at 5,443.80 points on Monday. The DSEX lost 100 points in last four sessions. Of the last 13 trading sessions, the market witnessed just four positive sessions. Market operators said investors anticipated that political feuds over the next general election would intensify during the run-up to the polls.
- The average share prices of banks and non-bank financial institutions continued declining. On Monday, banks lost 0.45% and NBFIs shed 0.31%. The share prices of engineering, miscellaneous and telecommunication also dropped on Monday.
- On the other hand, the share prices of food and energy sectors advanced by 3.4% and 0.92% respectively that saved the market from further fall. The share prices of ML Dyeing Limited soared by 141% on its debut on Monday to settle at BDT 24.20 after opening at BDT 10.
- The turnover on the DSE plunged to BDT 696.95 crore on Monday compared with that of BDT 804.33 crore in the previous trading session. Of the 335 companies and mutual funds traded on Sunday, 214 declined, 84 advanced, and 40 remained unchanged. DS30, the blue-chip index of the DSE, also dropped by 0.45%, or 8.66 points, to close at 1,902.42 points. Shariah index DSES shed 0.36%, or 4.56 points, to finish at 1,260.66 points.
- Khulna Power Company led the turnover chart with its shares worth BDT 94.74 crore changing hands. Active Fine Chemicals, IFAD Autos, United Power Generation Company, Saiham Textile Mills, BBS Cables, ML Dyeing, Pharma Aid and Aman Feed were the other turnover leaders.
- CAPM IBBL Islamic Mutual Fund gained the most on the day with a 10-per cent increase in its share prices, while VFS Thread Dyeing was the worst loser, shedding 7.16%.

<http://www.newagebd.net/article/50850/stocks-plunge-continues-as-political-tensions-weigh>

### Suspension of trading of 3 cos extended by 15 days

New Age, September 18, 2018

- The Bangladesh Securities and Exchange Commission has extended the suspension period of trading of the shares of three companies — Monno Jute Stafflers, BD Autocars and Legacy Footwear — by 15 days. The commission on Sunday issued an order in this connection.
- The order said that the commission was in the opinion that it was necessary in the interest of trade and in the public interest to extend the suspension period of trading of shares of the three listed companies and directed the Dhaka and Chittagong stock exchanges to extend the suspension period by 15 days with an effect from September 18.
- Earlier, on August 16, the market regulator suspended trading of the shares of Monno Jute Stafflers, BD Autocars and Legacy Footwear for 30 days following a spate of criticisms over lack of action from the market regulator in reigning in the unusual price hike of the companies.
- On the same day, it also sent five other companies — Monno Ceramic Industries, Key&Que, Aziz Pipes, Stylecraft and Dragon Sweater and Spinning — to the spot market for the unusual and astronomical hike in the prices of their shares.

- However, the shares of Dragon Sweater were put back on the public market from the spot market on September 6. The share prices of Monno Jute Stafflers rose by 500% to BDT 5,640, Legacy Footwear by 380% to BDT 263 and BD Autocras by 300% to BDT 436 within a couple of months sans price sensitive information before the trading suspension.

<http://www.newagebd.net/article/50848/suspension-of-trading-of-3-cos-extended-by-15-days>

## MARKET DISCLOSURES

New Age, September 18, 2018

- As per regulation 19(1) of the Dhaka Stock Exchange (listing) regulations, 2015, the company has informed that a meeting of the board of directors will be held on September 27, 2018 at 3:00 pm to consider, among others, audited financial statements of the company for the year ended on June 30, 2018.
- **KDS Accessories: Trading** of the shares of the company will remain suspended on record date September 18.
- **Grameen One : Scheme Two**  
AIMS of Bangladesh Limited, the asset manager of the fund has requested the concerned unit holders to collect their dividend warrants from September 23, 2018 to September 27, 2018 from the office of the fund at Unique Trade Centre (UTC), Level- 6 (South West), 8 Panthopath, Karwan Bazaar in Dhaka from 10:00 am to 4:00 pm.
- Undistributed warrants will be mailed through courier service to the unit holders' registered addresses after September 30, 2018. Unit holders' who applied for online dividend, will receive their dividend in their respective bank account within September 27, 2018.
- **Grameenphone Ltd**  
The company has informed that it has remitted interim cash dividend for the half year ended on June 30, 2018 to the respective shareholders bank account through online transfer, BEFTN and dividend warrants.

<http://www.newagebd.net/article/50842/market-disclosures>

## Nizami gets 2-yr contract extension as BSEC commissioner

New Age, September 18, 2018

- The government has extended the contract of Bangladesh Securities and Exchange Commission commissioner Helal Uddin Nizami by two more years. The public administration ministry on Monday issued a notification in this regard.
- The tenure of Nizami as BSEC commissioner with the rank of an additional secretary has been extended by two years from the date of expiry of his previous contract on May 2, 2018, the notification said. The conditions of the contract will remain unchanged during the extended period.
- Nizami, a professor of accounting and information system department at Chittagong University, was appointed as commissioner of the market regulator with three-year contract in 2011. His contract was extended for four years in 2014.

<http://www.newagebd.net/article/50851/nizami-gets-2-yr-contract-extension-as-bsec-commissioner>

## RMG export to India soars to \$101m in Jul-Aug

New Age, September 18, 2018

- Country's earnings from readymade garment exports to India increased by 138.54% in July-August of the current financial year (2018-19) compared with that in the same period of last fiscal year. RMG exports fetched \$101mn in July-August of FY19 against \$42mn in the same period of FY18.
- According to the Export Promotion Bureau data, country's exports to the US and Germany achieved a minimal growth in the first two months of FY19, while the exports to most of the European countries witnessed a negative growth.
- The EPB data, however, showed that export to India in July-August of FY19 increased by 127.08% to \$244.65mn from \$107.73mn in the same period of FY18. Exporters also said that export earnings from India witnessed a remarkable growth as Western and Indian clothing brands set up a significant number of stores in India and raised procurement from Bangladesh.
- Export earnings from the US, the largest export destination for Bangladesh, in the first two months of the FY19 grew to \$1.17bn from \$1.09bn in the period of FY18 with a 6.69-per cent growth. RMG export to the US increased by 20.33% to \$1.02bn from \$990.82mn.
- Export earnings from Germany, the second highest export destination for Bangladesh, in the first two months of FY19 grew by 4% to \$1.10bn from \$1.06bn in the same period of FY18. Export of RMG products to Germany increased to \$1.04bn from \$992.39mn.
- Export earnings from China in the first two months of FY19 fell by 3.62% to \$123.38mn from \$128.02mn in the same period of FY18 due to a fall in the earnings from exports of leather and leather products.



<http://www.newagebd.net/article/50845/rmg-export-to-india-soars-to-101m-in-jul-aug>

## Economy

### High return keeps NSC sales above BDT 5,000cr in July

New Age, September 18, 2018

- Government's borrowing from the sales of national savings certificates remained buoyant in the first month of the fiscal year 2018-2019 in line with the trend of the last fiscal year as the rate of return from the instruments remained high. As per the data of the Directorate of National Savings, government's borrowing from the NSCs stood at BDT 5,035 crore in July of the FY19.
- Government's net borrowing from the savings certificates was BDT 46,530.30 crore in the fiscal year 2017-2018 against its initial target that was revised upward to BDT 44,000 crore. The net sale of NSCs was BDT 5,053 crore in July of the last fiscal year.
- Government after the budget approval has already announced that it will not cut interest rate of NSCs before the national election likely to be held by the end of December this year.

- Deposit rates in the banks hover around 3 to 8% for different period of time, as per bank data. On the other hand, the rates offered by the NSCs are between 11.04% and 11.76%, helping the government to lure investments to the tools.
- The government in the budget for 2018-2019 announced that it would collect BDT 29,197 crore through the sales of national savings certificates and other non-bank sources. Borrowing from the NSCs was BDT 33,688.60 crore in the fiscal 2015-2016 and BDT 52,417.48 crore in fiscal 2016-2017.
- Government in the fiscal year allocated BDT 51,000 crore for the repayment of interest while the amount was BDT 41,000 crore last year. Government's outstanding NSC sales increased to BDT 2,42,2.26 crore at the end of June this fiscal year from BDT 1,96,289.76 crore as of June last year.

<http://www.newagebd.net/article/50844/high-return-keeps-nsc-sales-above-BDT-5000cr-in-july>

## Robi disposes of Edotco's shares

New Age, September 18, 2018

- Mobile phone operator Robi Axiata Limited has transferred from its possession 20% of shares of Edotco Bangladesh, a telecommunications infrastructure services company, to Edotco Group. Edotco Bangladesh in a statement on Monday confirmed the share transfer.
- With the acquisition, Edotco Group's shareholding in Edotco Bangladesh has increased to 70% from 50%. Both Robi Axiata and Edotco Group are subsidiaries of Malaysia-based Axiata Group.
- Before the latest share transfer, Edotco Bangladesh sold 30% of its stake to local business group Getco to be eligible for tower company licence. Getco through its subsidiary Greencon Tower Company Limited has partnered with Edotco.
- In August, Bangladesh Telecommunication Regulatory Commission handed over notification of award to Edotco along with three other entities upon completion of the licensing conditions for tower company licences.

<http://www.newagebd.net/article/50847/robi-disposes-of-edotcos-shares>

## Thailand keen to invest in Bangladesh

New Age, September 18, 2018

- Thailand entrepreneurs expressed their interest to invest in the potential sectors of Bangladesh as its government has a political will to ensure trade and investment-friendly environment in the country.
- They came up with the interest when a 14-member Thai business delegation, led by deputy executive director of the International Institute for Trade and Development (ITD) of Thailand Manu Sithiprasasana, on Monday met the board of directors of Federation of Chambers of Commerce and Industry (FBCCI) at its conference room in the city here.
- FBCCI president M Shafiul Islam (Mohiuddin) presided over the discussion while high government officials of different ministries and the FBCCI directors were present, said a press release. During the meeting, they discussed various bilateral issues, including trade and business expansion. He mentioned that the Thai Investors can avail the opportunity of investing in the 100 Special Economic Zones across the country.

<http://www.newagebd.net/article/50849/thailand-keen-to-invest-in-bangladesh>

## NBR to hike sugar import duty if govt high-ups ask

New Age, September 18, 2018

- The National Board of Revenue has not given any decision to the industries ministry on raising duty on sugar import saying that the decision should come from government high-ups.
- Bangladesh Sugar and Food Industries Corporation under the industries ministry made the plea, seeking an increase in the import duty to help the corporation clear its unsold stock.
- BSFIC demanded that NBR set the specific duty to BDT 4,000 a tonne raising it from the existing BDT 2,000 a tonne and impose 25% supplementary duty along with the existing 20% regulatory duty and 15% value-added tax on import of raw sugar.
- It also proposed increasing specific duty to BDT 5,000 a tonne from the existing BDT 4,500 a tonne and imposing 25% SD along with 20% RD and 15% VAT on import of white sugar. BSFIC argued that the new retail price would not create any negative impact on consumers as it would remain consistent with the prices of essential commodities.
- Currently, refined sugar produced from imported raw sugar is selling at around BDT 45,000 a tonne in the local market, which is lower than the BSFIC-set price at BDT 50,000 a tonne. State-run mills cannot sell their sugar as the private refiners are selling the item at much lower price.

<http://www.newagebd.net/article/50846/nbr-to-hike-sugar-import-duty-if-govt-high-ups-ask>

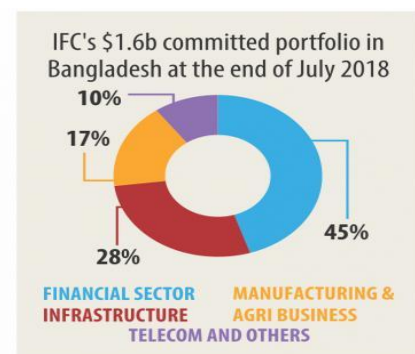
## International

### IFC ready to lend \$1b a year

Complex approval and process deprive Bangladesh of the low-cost funds

The Daily Star, September 18, 2018

- The International Finance Corporation (IFC), a member of the World Bank Group, is ready to lend Bangladesh \$1bn a year to meet its long-term financing needs. But the country could not avail the facility due to delay in approval and complex processes, a top official of the IFC said yesterday.
- The official made the comments on the sidelines of a workshop on "Investment Process and IFC Strategy for FY17-21" jointly organised by the IFC and Economic Relations Division (ERD) at the Pan Pacific Sonargaon hotel in Dhaka.
- The central bank follows an unwritten policy, which has set the maximum interest rate on the IFC loans at 6% taking into account the London interbank offered rate (LIBOR). Presently, the BB has capped the interest rate at LIBOR+3% but it can not be more than 6%.
- No one has any control over the LIBOR, the benchmark rate used globally. The LIBOR rate was 2.88% as of September 14, 2018. It went down to as low as 0.5% during the global financial crisis. The IFC has a plan to provide \$2.5bn in long term financing for private sector development in Bangladesh over the next five fiscal years to 2021. Of the sum, it committed to financing \$426mn in the last fiscal year.



<https://www.thedailystar.net/business/news/ifc-ready-lend-1b-year-1635436>

## India to merge 3 state-owned banks to tackle sour debt

New Age, September 18, 2018

- India plans to merge three state-run banks, Bank of Baroda, Dena Bank and Vijaya Bank, the financial services secretary said on Monday, as part of efforts to clean up the country's banking system.
- The government will continue to provide capital support to the merged bank, expected to be India's third largest, Rajeev Kumar told reporters. Banking sector reforms are a major plank of prime minister Narendra Modi's administration to revive credit growth, which has slowed to multi-decade lows as banks struggle with bad loans.
- New Delhi owns majority stakes in 21 lenders, which account for more than two-thirds of banking assets in Asia's third-biggest economy. But these banks also account for the lion's share of more than \$150bn in sour assets plaguing the sector, and need billions of dollars in new capital in the next two years to meet global Basel III capital norms.
- India's decision to merge the three banks will first need to be approved by the board of directors of Bank of Baroda, Dena and Vijaya. The government will then prepare an amalgamation scheme for the banks which will need to be approved by the cabinet of ministers and the houses of parliament, Jaitley said, adding he expected the process to be completed in the current financial year ending March 31, 2019.
- The proposed merger follows a similar move by the government in February last year when it merged State Bank of India with its five subsidiary banks, helping the country's largest lender by assets increase its scale and cut expenses through synergies. In August last year India set up a ministerial panel to speed up consolidation of other state-run banks.

<http://www.newagebd.net/article/50852/india-to-merge-3-state-owned-banks-to-tackle-sour-debt>

## Oil higher as US Iran sanctions raise supply concerns

New Age, September 18, 2018

- Oil prices rose on Monday as investors focused on the impact of US sanctions on Iran despite assurances by Washington that Saudi Arabia, Russia and the United States could together raise output fast enough to offset falling supplies.
- US energy secretary Rick Perry said in an interview with Reuters on Friday that he did not expect any price spikes and that the world's top three oil producers could between them raise global output in the next 18 months.
- Brent crude oil was up 40 cents a barrel at \$78.49 by 1155 GMT. US light crude was up 45 cents at \$69.44. Iran's oil exports have been falling in recent months as more buyers, including its second-largest buyer India, cut imports ahead of US sanctions that take effect in November. Washington aims to cut Iran oil exports down to zero to force Tehran to re-negotiate a nuclear deal.
- A leading Iranian official said on Saturday that Saudi Arabia and Russia had taken the oil market 'hostage' and accused other producers of turning the Organization of the Petroleum Exporting Countries into 'a US tool'.

<http://www.newagebd.net/article/50841/oil-higher-as-us-iran-sanctions-raise-supply-concerns>

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