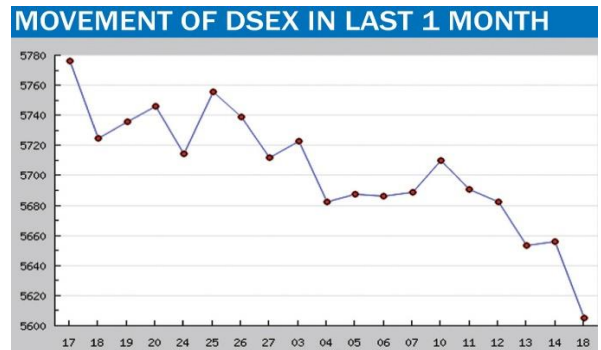


## Stock Market

### Dhaka stocks dip to 2-and-half-month low on financial sector fragility

New Age, March 19, 2019

- Dhaka stocks slumped to a two-and-a-half-month low on Monday with a fall in share prices of more than two-thirds of the traded scrips as investors, unnerved by the financial sector woes, went for selling shares.
- DSEX, the key index of Dhaka Stock Exchange, lost 0.90 %, or 50.91 points, to close at 5,604.90 points on Monday after gaining 2.60 points in the previous session. The key index's position on Monday was its lowest since January 3 when it was at 5,590.47 points. The core index lost 345 points in last two months.
- According to a media report, the government may withdraw its deposits from the financial sector to implement large projects including Padma Bridge and to meet expenses for LNG import.
- Therefore, out of the 345 issues traded on the day, 279 declined, just 42 advanced and 24 remained unchanged. The average share prices of textile, energy, non-bank financial institution and bank sectors dropped by 1.5 %, 1.0 %, 0.7 % and 0.6 % respectively.
- Therefore, the turnover on the bourse plunged to BDT 476.67 crore on Monday from BDT 585 crore in the previous trading session. A rise in the share prices of some of the large capitalised companies, especially multinational companies, saved the market from further fall.
- Shariah index DSES lost 0.75 %, or 9.81 points, to finish at 1,283.01 points. BRAC Bank led the turnover leaders with its shares worth BDT 38.20 crore changing hands on the day. BATBC, United Power Generation Company, Square Pharmaceutical, Dutch-Bangla Bank, Singer Bangladesh, Monno Ceramics, Marico Bangladesh, Bata Shoe and Legacy Footwear were the other turnover leaders.



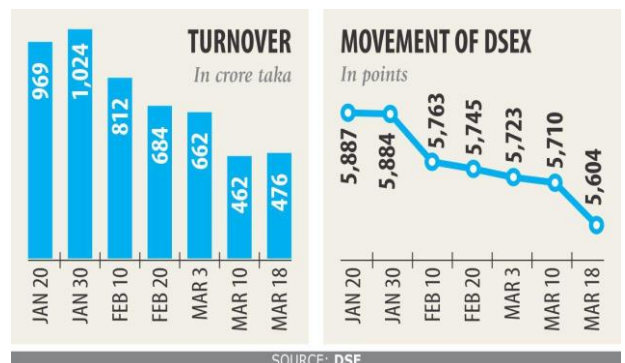
<http://www.newagebd.net/article/67792/dhaka-stocks-dip-to-2-and-half-month-low-on-financial-sector-fragility>

### Stocks in freefall

*Suffer from a lack of confidence*

The Daily Star, March 19, 2019

- The stockmarket's so-called fear about banks' being able to bring down their loan-deposit ratio to 83.5 % from 85 % has also been addressed, with the central bank extending the deadline by another six months to September 30.
- Earlier, state-owned Investment Corporation of Bangladesh has also been allowed to raise BDT 2,000 crore through bonds in a relaxed rule: banks that will invest in the bond will be exempt from the single borrower exposure limit.
- In February, net foreign investment was BDT 323.18 crore, up 84.37 % from the previous month. Of the traded issues yesterday, 42 advanced, 279 declined and 24 securities closed unchanged on the premier bourse. Brac Bank dominated the turnover chart with its transaction of 43.06 lakh



shares worth BDT 38.20 crore, followed by British American Tobacco Bangladesh, United Power Generation and Distribution, Square Pharmaceuticals and Dutch-Bangla Bank.

- Meghna Milk was the day's best performer with 8.64 % gain, while United Insurance was the worst loser, shedding 11.25 %. Chittagong stocks closed low with the bourse's benchmark index, CSCX, declining 122.95 points, or 1.16 %, to finish the day at 10,391.75.

<https://www.thedailystar.net/business/news/stocks-freefall-1717216>

## Islamic banks gain market share in 2018

New Age, March 19, 2019

- The market share of the country's Islamic banks marginally increased in terms of deposit collection and issuance of credit, also known as investments, in 2018 compared with that in the previous year.
- In terms of deposit collection, Islamic banks' market share increased to 23.50 % in 2018 from 23.13 % a year ago, according to a Bangladesh Bank report. The country's Islamic banks are operating under the Islamic Banking Guidelines which were formulated in November, 2009.
- The BB report showed that the deposit in Islamic banks grew by 10.78 % to BDT 2,37,366.9 crore at the end of December last year from BDT 2,14,259.42 crore at the end of December, 2017. Deposits in all the banks grew by 9.04 % to BDT 10,09,981 crore in 2018 from BDT 9,26,179 crore in 2017.
- Investments of the Islamic banks grew by 14.82 % or BDT 29,805 crore to BDT 2,30,907.3 crore at the end of December, 2018, from BDT 2,01,101.96 crore a year ago. The growth rate of credit disbursement in all banks was 13.74 % in the year 2018. Bank's total credit disbursement rose to BDT 9,60,462 crore at the end of December last year from BDT 8,44,435.6 crore a year ago.
- In terms of credit disbursement, Islamic banks' market share also increased to 24.04 % in 2018 from 23.81 % a year ago. Excess liquidity in the banking sector fell by 21.34 % or BDT 20,729.9 crore to BDT 76,393.1 crore in 2018 from BDT 97,122.96 crore a year ago.
- Excess liquidity, however, decreased by 25.18 % or BDT 2,195.7 crore in Islamic banks in 2018. The figure dropped to BDT 6,524.21 crore from BDT 8,719.91 crore. Banks, however, performed poorly in terms of disseminating credit to the farmers.

<http://www.newagebd.net/article/67793/islamic-banks-gain-market-share-in-2018>

## Subscription of Coppertech to open March 31

*Silco Pharma's public subscription ends tomorrow*

The Financial Express, March 18, 2019

- The initial public offering (IPO) subscription of Coppertech Industries is set to begin on March 31, aiming to raise BDT 200 mn from the capital market. The public subscription of Silco Pharmaceuticals, which started on March 07, will be ended tomorrow (Tuesday). The company will raise BDT 300 mn from the public.
- Coppertech Industries: The subscription for shares of the Coppertech Industries by the eligible investors through electronic subscription system will be continued until April 09. The securities regulator-Bangladesh Securities and Exchange Commission (BSEC) approved the IPO proposal of Coppertech on December 26, 2018.
- As per the BSEC approval, the company will raise a capital worth BDT 200 mn by offloading 20 mn ordinary shares under the fixed price method. A market lot consists of 500 shares and an investor needs BDT 5,000 to apply for each lot of the company's IPO shares.

- For non-resident Bangladeshi (NRB) and foreign applicants, the required amount (per lot) for subscription is US\$ 59.92 or GBP 45.40 or EUR 53:00, according to the Dhaka Stock Exchange (DSE). The company will utilise the IPO proceeds to purchase plant and machinery, repay bank loans, construction of building and bear the IPO expenses.

<http://thefinancialexpress.com.bd/stock/subscription-of-coppertech-to-open-march-31-1552883396>

## **Pubali Bank to issue BDT 7.50 bn subordinated bond**

The Financial Express, March 18, 2019

- The board of directors of Pubali Bank Limited has decided to issue 7 years subordinated bond-II for BDT 7.50 bn, said an official disclosure on Monday. The Board of Directors has decided to issue 7 Years Subordinated Bond-II for BDT 7.50 bn (BDT 750.00 crore).
- The bank will issue the bonds for raising fund to have regulatory capital support of the company under BASEL-III framework to raise the Tier-2 capital of the bank, according to the disclosure. The issuing of bonds is subject to the approval of Bangladesh Bank (BB), Bangladesh Securities and Exchange Commission (BSEC) and other regulatory authorities, the disclosure added further.
- Each share of the bank, which was listed on the Dhaka Stock Exchange (DSE) in 1984, closed at BDT 28 on Monday. Its share traded between BDT 20.10 and BDT 29.10 in the last one year. The bank's consolidated earnings per share (EPS) stood at BDT 0.52 for July-September 2018 as against BDT 0.40 for July-September 2017.

<http://thefinancialexpress.com.bd/stock/pubali-bank-to-issue-BDT-750-bn-subordinated-bond-1552887096>

## **EBL, JP Morgan to process LCs electronically**

The Daily Star, March 19, 2019

- Eastern Bank Ltd (EBL) and JP Morgan, Singapore recently joined hands to electronically process letters of credit, ensuring quicker turnarounds on document processing and faster receipt alongside payments for Bangladeshi exporters.
- Ali Reza Iftekhar, CEO of EBL, and Madhav Kalyan, managing director and bank CEO of JP Morgan Chase Bank NA, India and head of corporate banking for South and Southeast Asia, signed the deal in Dhaka, the bank said in a statement yesterday.
- The EBL handles about 4.5 % of Bangladesh's trade business, which last year amounted to around \$3.5 bn, the statement added.

<https://www.thedailystar.net/business/news/eb1-jp-morgan-process-lcs-electronically-1717189>

## **Economy**

### **ADP may be revised down to BDT 1.65 lakh crore**

New Age, March 19, 2019

- The government may slash the size of the annual development programme by BDT 8,000 crore or 4.62 % in the revised ADP for the current fiscal year (2018-2019) following a slow progress in implementation of the development budget.
- The size of the revised ADP may stand at BDT 1.65 lakh crore if the National Economic Council approves the proposal placed by the planning ministry. The government adopted the original ADP at BDT 1.73 lakh crore, excluding the

allocation from own funds of the autonomous bodies, estimating that BDT 1.13 lakh crore would come from the domestic fund and BDT 60,000 crore would come from the foreign source as project assistance.

- Under the proposed revised ADP, the allocation from the foreign source segment may be cut by BDT 9,000 crore to BDT 51,000 crore following a slower progress in implementation of the foreign-funded development projects in eight months (July-February) of the fiscal year.
- On the other hand, the allocation from the domestic fund may be increased by BDT 1,000 crore to BDT 1.14 lakh crore. The size of the original ADP is BDT 1,80,869 crore if the allocation of BDT 7,869 crore from the own funds of the autonomous bodies and corporations are included.
- 

<http://www.newagebd.net/article/67796/adp-may-be-revised-down-to-BDT-165-lakh-crore>

## Finance minister for simple interest rate on bank loans

New Age, March 19, 2019

- Finance minister AHM Mustafa Kamal on Monday said they would consider calculating interest rate of loans at simple interest basis as opposed to the compound rate formula.
- The bank management now calculated the interest rate at compound basis, he told reporters at a press briefing after a view exchange meeting with the directors of the state-owned commercial and specialised banks at the Planning Commission.

<http://www.newagebd.net/article/67825/finance-minister-for-simple-interest-rate-on-bank-loans>

## Overall debt to shoot up to BDT 8.8 lakh cr in new budget

*Experts blame revenue shortfall for the situation*

New Age, March 19, 2019

- The amount of overall outstanding debt is likely to jump to BDT 8,80,690 crore in the budget for the upcoming fiscal year (2019-20) from BDT 7,40,470 crore in the current fiscal year due to a high growth in domestic loans. Finance Division officials said the overall outstanding debts had increased by BDT 50,000 crore on average since FY 2015-16, but the increase almost doubled in the current fiscal and would nearly treble in the upcoming fiscal.
- The officials and experts attributed the sharp rise in the overall debt to high domestic borrowing against paltry growth in loans from foreign sources. According to officials, the government relies on borrowings from local and foreign sources to make up the budget deficit that grew largely because of revenue shortfall, a usual phenomenon for the last one decade.
- The amount of overall domestic debt is likely to be projected in the new fiscal at BDT 5,52,310 crore. The figure was BDT 3,21,630 crore in FY 2015-16. The amount of overall foreign loan is likely to be projected at BDT 3,28,380 crore in the new fiscal. The figure was BDT 2,23,890 crore in FY 2015-16.
- Policy Research Institute executive director Ahsan H Mansur said the sharp rise in overall debt meant an increase in per capita debt. Data showed that the National Board of Revenue attained only seven % growth in revenue collection in the first seven months of the current fiscal against 40 % growth target for the entire fiscal.

<http://www.newagebd.net/article/67669/overall-debt-to-shoot-up-to-BDT-88-lakh-cr-in-new-budget>

---

## International

### **Brexit crisis tipped for British asparagus as EU seasonal workers stay away**

New Age, March 18, 2019

- For almost 100 years, Chris Chinn's family has farmed asparagus in the rolling hills of the Wye Valley in western England. This year, he fears uncertainty around Britain's departure from the European Union will keep his eastern European workers away and the asparagus will stay in the ground.
- Asparagus grown in Britain is feted by chefs as among the world's best but the seasonal worker shortage threatens the country's asparagus industry and the viability of Chinn's Cobrey Farms business.
- It is a predicament shared by many British fruit and vegetable farmers, almost totally reliant on seasonal migrant workers from EU member states Romania and Bulgaria taking short-term jobs that British workers do not want.

<http://www.newagebd.net/article/67765/brexit-crisis-tipped-for-british-asparagus-as-eu-seasonal-workers-stay-away>

## 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 (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).