

## Stock Market

### Stocks break 4-day losing streak on bargain hunting

New Age, September 19, 2018

- Dhaka stocks on Tuesday snapped a four-day losing spell as a section of investors went for bargain hunting, targeting especially financial shares after their recent losses. DSEX, the key index of the Dhaka Stock Exchange, gained 0.52%, or 28.79 points, to close at 5,472.60 points on Tuesday after losing 100 points in the previous four sessions.
- The final figure of the GDP growth was presented at the meeting of the executive committee of the National Economic Council, chaired by Prime Minister Sheikh Hasina on Tuesday. The share prices of INTECH Limited continued soaring in recent days mainly due to investors' recent irrational hype surrounding small-capitalised scrips.
- The share prices of the company skyrocketed by around 300% from BDT 17.1 in July 1 to BDT 67.8 on Tuesday. The average share prices of textile, bank, non-bank financial institution and energy sectors advanced by 2.0%, 0.8%, 0.21% and 0.2% respectively. Out of the 30 traded bank scrips, 20 advanced, five declined and five remained unchanged, while out of the 23 traded NBFIs, 16 advanced, six declined and one remained unchanged.
- Of the last 14 trading sessions, the market witnessed just five positive sessions. The average share prices of telecommunication, food, engineering and miscellaneous dropped by 1.3%, 1.2%, 0.8% and 0.3% respectively. The turnover on the DSE increased to BDT 731.68 crore on Tuesday compared with that of BDT 696.95 crore in the previous trading session.
- Of the 335 companies and mutual funds traded on Tuesday, 166 advanced, 128 declined, and 41 remained unchanged. DS30, the blue-chip index of the DSE, also added 0.14%, or 2.67 points, to close at 1,905.09 points. Shariah index DSES also gained 0.13%, or 1.70 points, to finish at 1,262.36 points.
- Khulna Power Company led the turnover chart with its shares worth BDT 78.27 crore changing hands. Active Fine Chemicals, IFAD Autos, Shasha Denims, BBS Cables, National Housing Finance, Saiham Textile Mills, Singer Bangladesh, Paramount Textiles and Nahee Aluminum were the other turnover leaders. Family Textile gained the most on the day with a 10-per cent increase in its share prices, while CAPM IBBL Islamic Mutual Fund was the worst loser, shedding 8.08%.

<http://www.newagebd.net/article/50929/stocks-break-4-day-losing-streak-on-bargain-hunting>

### Top 10 traded companies clinch 40pc transaction

#### Khulna Power tops the chart for third day

The Financial Express, September 19, 2018

- Top ten traded companies captured 40% turnover of the major bourse on Tuesday while Khulna Power Company topped the chart for third day in a row. In the last one month, its share price jumped 91% or BDT 61.60 each to close at BDT 129.30 on Tuesday. It was also the highest closing price since listing of the company with the Dhaka Stock Exchange (DSE) in 2010.
- The power generation company's share traded between BDT 53 and BDT 131.90 each in the last one year. Following the recent 'unusual' price hike of the company's shares, the prime bourse served show-cause notice on the company.
- The company replied that there was no undisclosed price sensitive information for recent unusual price hike of its shares. According to statistics available with the DSE, about 6.07mn shares of KPCL were traded, generating a turnover of BDT 783mn, which was 10.70% of the DSE's total turnover.
- The total turnover on the DSE stood at BDT 7.31bn, which was BDT 6.96bn on the previous day. Khulna Power, which was listed on the DSE in 2010, disbursed 55% cash dividend in 2017. In 2016, it paid 75% cash dividend.

- The company's earnings per share (EPS) stood at BDT 1.21 for January-March 2018 as against BDT 1.40 for January-March 2017. In nine months for EPS was BDT 3.93 for July 2017-March 2018 as against BDT 3.91 for July 2016-March 2017.
- The company's paid-up capital is BDT 3.61bn, authorised capital is BDT 7.0bn and the total number of securities is 361.28mn. Active Fine Chemicals followed next, with shares worth BDT 621mn changing hands. The company's share price closed at BDT 46.10 each, advancing 2.21% over the previous day.
- IFAD Autos clinched the third spot, with shares worth BDT 236mn changing hands. The company's share price fell 0.23% to close at BDT 128.20 each. Shasha Denims emerged fourth with shares worth BDT 229mn changing hands. The company's share price closed at BDT 71.90, soaring 7.47%. BBS Cables notched the fifth spot, with shares worth BDT 211mn changing hands. The company's share price fell 2.58% to close at BDT 124.20 each.

<http://thefinancialexpress.com.bd/stock/bangladesh/top-10-traded-companies-clinch-40pc-transaction-1537331390>

## **IsDB invites Bangladesh to subscribe to Islamic bonds**

### **The 2nd edition of Sukuk to be floated this month**

The Financial Express, September 19, 2018

- Jeddah-based Islamic Development Bank (IsDB) has invited Bangladesh to subscribe to its second edition of Sukuk (Islamic bonds), officials said. The bond is scheduled to be floated this month. Under its US\$ 25 bn medium-term note (MTN) programme, IsDB issues the bond to meet its funding requirements.
- IsDB president Dr Bandar M H Hajjar in a recent letter to Bangladesh Bank governor Fazle Kabir wrote that successful issuance of this year's Sukuk will not only raise cost-effective funding for IsDB, but will also benefit all member countries in terms of lower pricing for all IsDB-sponsored development projects in their countries.
- The IsDB set up the dollar-dominated Sukuk programme in 2005 and raised the ceiling of the bond programme to \$25 bn from \$10 bn. The last time in March this year, the IsDB issued a \$1.25 bn, 5-year fixed rate Sukuk. The Sukuk was priced at par at 3.10%, to be payable on semi-annual basis.
- The Jeddah-based bank provides loans for various infrastructure projects in Bangladesh. The IsDB opened a Group Regional Hub in Dhaka last week which will facilitate its numerous projects in Bangladesh including agriculture, education, energy, industry and mining, transport, water, sanitation, urban services and enhance the capacity of the country's public and private institutions.
- Bangladesh imports a major portion of petroleum products with IsDB's loan provided by its trade finance arm-- International Islamic Trade Finance Corporation (ITFC). According to an IsDB release, Bangladesh is the largest beneficiary of financing with the bank's total financing for the country to date over \$21.7 bn.

<http://thefinancialexpress.com.bd/trade/isdb-invites-bangladesh-to-subscribe-to-islamic-bonds-1537328583>

## **Economy**

### **Govt shows GDP grew by record 7.86pc in FY18, experts doubt**

New Age, September 19, 2018

- Bangladesh's gross domestic product growth hit record 7.86%, beating the provisional estimation by 0.21 percentage points, in the past fiscal year of 2017-2018, according to the final calculation done by Bangladesh Bureau of Statistics.
- BBS in its provisional estimate in April said that economic growth of the country would be 7.65% in FY18 against the government's target of 7.4% for the fiscal year. Experts and economists, however, expressed scepticism about the

higher economic growth calculated by BBS for the fiscal year, saying that the growth was not consistent with the performance of other economic indicators.

- GDP growth was 7.28% in the previous fiscal year (FY 2016-2017). Former interim government adviser Mirza Azizul Islam told New Age that the country could not obtain higher economic growth with the present rate of investment that was hovering at around 31% of GDP.
- Agricultural sector finally grew by 4.19% while industry grew by 12.06% and services by 6.39%. BBS's initial growth projection was 3.06%, 11.99% and 6.33% for agriculture, industry and services respectively. The contribution of agriculture, industry and services sectors stood at 13.82%, 30.17% and 56% respectively in the year.
- Both service sector growth rate and contribution to GDP declined in the year, which were 6.69% and 56.50% respectively in FY17. The share of investment as %age of GDP, however, revised downward to 31.23% in the final calculation from that of 31.47% estimated initially mainly because of lower public investment.
- Private investment ratio to GDP reached 23.26% from 23.25% while public investment was downsized to 7.97% from initial 8.22%, according to the BBS data. The new per capita income reached \$1,751 or BDT 1,43,789 in the year, one dollar less than the provisional estimation. The figure was \$ 1,610 in FY17.

<http://www.newagebd.net/article/50918/govt-shows-gdp-grew-by-record-786pc-in-fy18-experts-doubt>

## **Bangabandhu Hi-tech City**

### **10 firms to invest \$220m in two years**

The Daily Star, September 19, 2018

- Ten local and foreign companies will invest about \$220mn in Bangabandhu Hi-Tech City at Gazipur's Kaliakoir within a year, leading to the creation of 5,000 jobs in the coming years. Bangladesh Hi-Tech Park Authority (BHTPA) will next week hand over 28 acres of land to the firms.
- The 355-acre city already has a local firm, DataSoft Limited, which set up a plant and started manufacturing and exporting its self-designed artificial intelligence products to Saudi Arabia.
- The 10 companies are planning to develop software and associated services and manufacture hardware establishing business process outsourcing centres there, said Hosne Ara Begum, managing director of BHTPA. The companies have been selected based on their investment plan and current business reputation.
- Mobile operator Robi, one of the 10 companies, is planning to develop their own data centre, create a separate service development team and set up an IT team there. The companies have also been directed to start developing their infrastructure within the next six months and to complete all of it within the next three years.

<https://www.thedailystar.net/business/news/10-firms-invest-220m-two-years-1635832>

## **Importers get BDT 17,100cr in duty benefits in FY16: WB**

New Age, September 19, 2018

- The government gave BDT 17,100 crore in duty concessions to importers in financial year 2015-2016 through providing various exemptions and duty waiver on imports, according to a World Bank estimate.
- The size of the country's GDP was \$ 221 bn in the year when NBR collected BDT 1,55,519 crore in revenue, including customs duty, income tax and value-added tax. The contribution of customs duty was BDT 45,193 crore in FY 2016, according to NBR data.
- The government requested WB for carrying out a complete assessment on all types of tax benefits under customs duty, VAT and income tax. WB could not conduct any assessment on two other sectors as NBR did not have any data on VAT exemption while income tax wings did not provide required data.

- The highest revenue foregone was for imports under the statutory rate of 10% followed closely by the imports under the 5% and 0% category and these four together contribute 56% of the revenue foregone, according to the study.
- The major contributors to the revenue foregone were fuel, especially furnace oil, electrical machinery, mechanical machinery and cooking oil.

<http://www.newagebd.net/article/50924/importers-get-BDT-17100cr-in-duty-benefits-in-fy16-wb>

## Loans for farmers to be cheaper

The Daily Star, September 19, 2018

- The central bank has moved to slash the lending rate on farm loans by one percentage point to 8 % as most banks have cut the rates of their major loan products. In July, majority of the banks announced that they cut interest rate on term loans, working capital and trade financing to 9 % from the previous range of 11 to 13 %.
- In June last year, the central bank lowered the interest rate on farm loans to 9 % from 10 % as banks were sitting on excess liquidity. The decision of the Bangladesh Association of Banks, a forum of the directors of private lenders, to bring down the interest rates on lending and deposit to 9 % and 6 % respectively will help the central bank revise the farm lending rate, the BB official said.
- Besides, weighted average interest rate on lending ranged between 9.30 % and 9.96 % throughout the last fiscal year, creating leeway to reduce the rate on agriculture loans. The central bank may issue an instruction to this end within one or two days, the official said.

<https://www.thedailystar.net/business/news/loans-farmers-be-cheaper-1635829>

## International

### Trump imposes tariffs on \$200b Chinese goods, Beijing hits back

New Age, September 19, 2018

- US president Donald Trump has slapped 10% tariff on about \$200 bn worth of imports from China with effect from September 24. China immediately hit back levying tariffs of 5-10% on about \$60 bn worth of US goods in retaliation with effect from the same date the US tariffs come into effect.
- China's foreign ministry announced late on Tuesday tariffs of 5-10% on US products, reducing the volume of tariffs it had planned earlier. The tit-for-tat measures are the latest escalation in an increasingly protracted trade dispute between the world's two largest economies.
- Collection of 10% tariffs on the long-anticipated US list of Chinese products worth \$200 bn will start on September 24 but the rate will increase to 25% by the end of 2018, allowing US companies some time to adjust their supply chains to alternate countries. The US list has not included Chinese apparel products. Bangladesh is one of competitors of China in the US market for apparel exports.
- The latest US duties spared smart watches from Apple and Fitbit and other consumer products such as baby car seats. But if the administration enacts the additional tariffs it would engulf all remaining US imports from China and Apple products like the iPhone and its competitors would not likely be spared.
- So far, the United States has imposed tariffs on \$50 bn worth of Chinese products to pressure Beijing to reduce its huge bilateral trade surplus and make sweeping changes to its trade, technology transfer and high-tech industrial subsidy policies.

- China's yuan currency slipped against the dollar on Tuesday after news of the US measures. It has weakened by about 6.0% since mid-June, The US Trade Representative's office eliminated 297 product categories from the latest proposed tariff list, along with some subsets of other categories. But the adjustments did little to appease technology and retail groups who argued US consumers would feel the pain.

<http://www.newagebd.net/article/50926/trump-imposes-tariffs-on-200b-chinese-goods-beijing-hits-back>

## **EU business group laments China's 'reform deficit'**

The Daily Star, September 19, 2018

- Despite four decades of booming growth, Beijing has fallen behind on pledges to implement reforms and liberalise its economy, the EU Chamber of Commerce in China wrote in its annual report. The comments come as China-US trade tensions fray, with Donald Trump on Monday announcing new tariffs on \$200 bn in Chinese goods that will take effect next week.
- The 394-page position paper details the problems EU firms face in China, and represents the voices of 1,600 European companies, including big names such as Siemens, Volkswagen and Airbus.
- European firms face myriad issues in China, the report said, including preferential treatment for monopolistic state-owned companies, market access barriers and government red tape, as well as intellectual property protection and forced technology transfer.
- The roped-off Chinese internet was also identified as a headache by more than half of businesses, according to the chamber's survey. As Washington shows a sign of ironing out trade frictions with Brussels, Beijing is increasingly worried its top two trade partners could gang up on it.
- Beijing had pledged that 2018 -- the 40th anniversary of former leader Deng Xiaoping's reform and opening policies that jump-started China's economic miracle -- would be a big year for further changes. A number of sectors remain "heavily dominated" by state-owned firms, suppressing the possibility for competition, according to the report.

<https://www.thedailystar.net/business/news/eu-business-group-laments-chinas-reform-deficit-1635826>

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