

Stock Market

DSE profit falls 16pc in FY18 on bearish market

Board proposes 5pc dividend for shareholders

New Age, December 19, 2018

- The net profit of Dhaka Stock Exchange fell by 15.61 % in last financial year (2017-18) due mainly to a prolonged bearish trend at the market with a fall in turnover. The board of directors of the country's premier bourse at a meeting on Tuesday approved the financial reports of the bourse for FY18 and recommended 5 % dividend for its shareholders, a senior DSE official said.
- According to DSE sources, profit of DSE declined to BDT 104.56 crore in FY18 from BDT 123.91 crore in FY17. Considering 180,37,76,500 shares of DSE, its earnings per share decreased to BDT 0.58 in FY18 from BDT 0.69 in FY17. The total turnover on the bourse was BDT 1,59,085 crore in FY18 with a daily average turnover of BDT 646.6 crore, while the figures were BDT 1,80,522 crore and BDT 755.3 crore respectively in the previous fiscal year.
- The key index, DSEX, lost 250.59 points, or 4.43 %, to 5,405.46 point in FY18. In FY18, investors grappled with a number of issues including liquidity crisis, woes in the banking sector and political uncertainty surrounding the national election scheduled for December 30.
- The bourse enjoyed 60 % tax exemption in FY17 that declined to 40 % in FY18. The DSE's failure in implementing its business plans last fiscal year was also a cause of not attaining desired margin of profit by the bourse, DSE sources said. The bourse made BDT 119.82 crore in profit in FY16, BDT 134 crore in FY15 and BDT 135 crore in profit in FY14.

<http://www.newagebd.net/article/59185/dse-profit-falls-16pc-in-fy18-on-bearish-market>

Stocks end 7-day losing streak on bargain hunting

New Age, December 19, 2018

- Dhaka stocks gained on Tuesday snapping a 7-day losing streak as investors went for bargain hunting amid cautiousness ahead of the December 30 national election. DSEX, the key index of Dhaka Stock Exchange, advanced by 0.29 %, or 15.58 points, to close at 5,233.59 points on Tuesday after losing 143 points in the previous seven sessions.
- Average share prices of textile, energy and bank sectors advanced by 1.39 %, 0.83 % and 0.25 % respectively. Though the market ended the negative run on Tuesday, the investors' participation barely rose on the trading floor as the pre-polls political volatility kept investors worried.
- The turnover on DSE inched up to BDT 334.09 crore on Tuesday compared with that of BDT 314.56 crore in the previous trading session. Market operators said attacks on leaders and activists of opposition political parties during their electioneering in favour of their candidates in the 11th parliamentary elections at different places in the country made investors nervous.
- The textile sector led the turnover chart on Tuesday by holding 18 % of the day's total turnover. Of the 336 companies and mutual funds traded on Tuesday, 180 advanced, 103 declined and 57 remained unchanged. DSE blue-chip index DS30 added 0.06 %, or 1.25 points, to close at 1,843.41 points. Shariah index DSES increased by 0.30 cent, or 3.69 points, to finish at 1,205.19 points.
- Meghna Life Insurance Company led the turnover leaders with its shares worth BDT 15.37 crore changing hands. United Power Generation Company, IFAD Autos, Square Pharmaceuticals, Sonali Aansh, Anlima Yarn Dyeing, Rupali Life Insurance, Khulna Power Company, VFS Thread Dyeing and Western Shipyard were the other turnover leaders.

<http://www.newagebd.net/article/59190/stocks-end-7-day-losing-streak-on-bargain-hunting>

CVO production suspended for 15 days

The Financial Express, December 18, 2018

- The production of CVO Petrochemical Refinery remains stopped for 15 days due to scheduled maintenance and machinery up-gradation work. The company's maintenance and machinery up-gradation work will be executed as per the decision of the board of directors.
- "Production (process & operation department) will remain stopped for approximately 15 days from December 17, 2018 to December 31, 2018," a company disclosure said. It also said the delivery department (delivery of finished product in stock to BPC) and receiving department (receiving of condensate from PetroBangla) will perform their job accordingly.
- The share price of CVO Petrochemical Refinery closed at BDT 154 each on Monday with a loss of 3.51 % or BDT 5.60 on the Dhaka Stock Exchange (DSE). The company's sponsor-directors hold 50 % shares, institutes 21.86 %, foreign shareholders 0.31 % and general shareholders 27.83 % as of November 30, 2018.

<http://thefinancialexpress.com.bd/stock/cvo-production-suspended-for-15-days-1545108107>

Tax collection from DSE slides by 19pc in Nov

New Age, December 19, 2018

- The government's revenue collection from Dhaka Stock Exchange dropped further by 19.05 % or BDT 3.61 crore in November due to a decline in turnover on the bourse. In November, National Board of Revenue received just BDT 15.34 crore in taxes that included BDT 11.67 crore as tax on turnover and BDT 3.67 crore as tax on sponsor-directors' capital gains from share sales.
- In October, the government's tax receipts from the bourse were BDT 18.95 crore when BDT 12.74 crore was collected as taxes on turnover and BDT 6.21 crore as taxes on sponsor-directors' profit from share sales.
- Under the Income Tax Ordinance 1984, the government collects 0.05 % tax on turnover from brokerage houses (the brokerages collect the fund from investors on their daily transactions), and 5 % tax on capital gains made by sponsor-directors and placement-shareholders.
- The consolidated turnover on the bourse declined by 8.34 % to BDT 11,673.78 crore in November from BDT 12,737 crore in October. The average daily turnover, however increased to BDT 583.68 crore in November with 20 trading sessions compared with that of BDT 553.78 crore in October with 23 trading sessions.

<http://www.newagebd.net/article/59188/tax-collection-from-dse-slides-by-19pc-in-nov>

Bank Asia gets new independent director

The Daily Star, December 19, 2018

- Ashraful Haq Chowdhury has recently been elected as independent director of Bank Asia. He is the managing director of Star Infrastructure Development Consortium Ltd. He also served in top management positions at Grameen Telecom, Telekom Malaysia Bangladesh and Bharti Airtel for 21 years.
- He has also served Commonwealth Secretariat, London as trade adviser. Chowdhury obtained honours and master's degrees in economics from the University of Chittagong.

<https://www.thedailystar.net/business/news/bank-asia-gets-new-independent-director-1675603>

Economy

Bangladesh Bank eases farm loan policy

The Financial Express, December 18, 2018

- Bangladesh Bank (BB) issued a fresh rescheduled policy on short-term agriculture loans on Monday aiming to boost production through facilitating farmers across the country, officials said. Under the policy, the banks are allowed to reschedule such agriculture loans under 'banker-client' relationship through relaxation of down payment.
- In some cases, such loans can be rescheduled even without any down payment, according to a notification, issued by the central bank of Bangladesh. The farmers will be eligible for getting fresh agriculture loans without depositing any compromised amount after rescheduling such loans.
- The banks may reschedule the agriculture credits after disposal of the certificate cases through mutual agreements with the clients, it added. Such rescheduled facility will continue until December, 2019. Similar rescheduled policy on short-term agriculture loans was announced on February 23, 2015 that was continuing until December, 2015.
- The BB's latest move came against the backdrop of falling trend in the disbursement of farm credit during the July-October period of the current fiscal year (FY). Meanwhile, agriculture loans disbursement dropped by nearly 14 % or BDT 8.53 bn in the four months of the FY 2018-19, despite the central bank's close monitoring.
- Disbursement of farm credit came down to BDT 53.52 bn during the period under review from BDT 62.05 bn in the same period of the previous fiscal, the BB data showed. Of the BDT 53.52 bn, eight public banks disbursed BDT 26.08 bn, and the remaining BDT 27.44 bn was disbursed by the private commercial banks (PCBs) and foreign commercial banks (FCBs).
- The recovery of farm loans, however, rose to BDT 65.56 bn during the July-October period of FY 19 from BDT 61.78 bn in the same period of the previous fiscal. The volume of classified loans of farmers increased by nearly 5.0 % or BDT 2.53 bn to BDT 53.96 bn during the July-October period of the FY 19 from BDT 51.43 bn in the same period last fiscal.

<http://thefinancialexpress.com.bd/economy/bangladesh-bank-eases-farm-loan-policy-1545105114>

Accord hands over 80 more factories

New Age, December 19, 2018

- Accord on Fire and Building Safety in Bangladesh on Tuesday handed over the safety activities of 80 more readymade garment factories to the Department of Inspection for Factories and Establishments. With the 80, the total number of RMG factories which have been transferred to the DIFE from Accord reached 100.
- Accord, the platform of European fashion retailers and buyers, started handing over the responsibility of its ongoing safety activities in the RMG sector in Bangladesh on October 24 with the transfer of 20 factories to the Remediation Coordination Cell under the DIFE.
- In the second phase, Accord handed over 80 factories which were completely remediated, according to a release issued by the RCC. Rob Wayss, executive director of Accord, handed over the documents of the 80 factories to DIFE deputy inspector general Mahfuzur Rahman at DIFE auditorium in Dhaka.
- The documents, including fire, electrical and structural inspection reports, record of all past follow-up inspections, latest Accord follow-up inspection report, latest updated Corrective Action Plan (CAP), copy of recognition letter from Accord to factory on completion of initial inspections remediation, list of new finding in progress and timelines for remediation of same as set by the Accord, escalation status and any financial support received through the Accord Remediation Fund, were handed over to the DIFE.

- Following the Rana Plaza building collapse in April 24, 2013, that killed more than 1,100 people, mostly garment workers, EU retailers formed the Accord and North American retailers formed the Alliance for Bangladesh Worker Safety undertaking a five-year plan which set timeframes and accountability for inspections and training and workers' empowerment programmes.

<http://www.newagebd.net/article/59189/accord-hands-over-80-more-factories>

BB sets Dec 27 for annual bank account closure due to polls on Dec 30

New Age, December 19, 2018

- Bangladesh Bank on Tuesday set December 27 for closure of annual accounts of banks as the 11th national elections are scheduled for December 30. Banks usually close their annual accounts on December 30.
- The central bank on Tuesday issued a circular in this connection to the banks saying that the new date for the account closure was set after getting approval from the competent authority.
- The BB move came as many officials of state-run banks were in confusion about the account closure on December 30 as a large number of bankers would be engaged in the polls process on the polling day. Bankers go through huge work pressure in last few days of a Gregorian calendar year when they close annual accounts.

<http://www.newagebd.net/article/59187/bb-sets-dec-27-for-annual-bank-account-closure-due-to-polls-on-dec-30>

International

Huawei to spend \$2b over five years in cybersecurity push

The Daily Star, December 19, 2018

- Huawei Technologies on Tuesday said it would spend \$2 bn over the next 5 years to focus on cybersecurity by adding more people and upgrading lab facilities, as it battles global concerns about risks associated with its network gear.
- The typically secretive Chinese technology giant made the comments at one of its most indepth press conferences at its Dongguan offices, after welcoming about two dozen international journalists into its new campus in the southern Chinese city.
- Huawei has been in the news these past weeks for the arrest of its chief financial officer Meng Wanzhou - also the daughter of its bnaire founder Ren Zhengfei - in Canada at the request of the United States. This has exacerbated the woes of the Chinese firm, which has already been virtually locked out of the US market and has been prohibited by Australia and New Zealand from building 5G networks amid concerns its gear could facilitate Chinese spying.
- Huawei has been communicating with governments worldwide regarding the independence of its operation, he said. He added that Japan and France had not formally banned its telecom equipment. Recent media reports have indicated moves by these governments to shun the company's equipment.
- Sources have told Reuters that Japan planned to ban government purchases of equipment. Other media reported that the country's three top operators planned not to use current equipment and upcoming 5G gear from Huawei, and that France was considering adding items to its "high-alert" list that tacitly targets Huawei. Huawei has repeatedly said Beijing has no influence over it.
- The company has shipped more than 10,000 base stations for the fifth generation of mobile communications, he said, adding that Huawei expects revenue to exceed \$100 bn this year - up 8.7 % from last year.

<https://www.thedailystar.net/business/global-business/news/huawei-spend-2b-over-five-years-cybersecurity-push-1675597>

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