

Stock Market

Stocks gain slightly on bargain hunting

New Age, February 20, 2019

- Dhaka stocks on Tuesday gained slightly after a plunge in the previous session amid cautious trading as a section of investors went for bargain hunting while others were assessing possible impact of the BB's move to approve three new banks and SMP status of Grameenphone on the market.
- DSEX, the key index of Dhaka Stock Exchange, added 0.19 points, or 11.39 %, to close at 5,735.92 points on Tuesday after losing 51 points in the previous session. Investors were also cautious on the trading floor as Bangladesh Bank on Sunday approved three more new banks at a moment when banks are struggling for deposit collection.
- The average share prices of non-bank financial institution and bank increased by 0.6 % and 0.4 % respectively after their recent fall as some large investors shrugged off the situation on Tuesday as year-end financial results are looming. The share prices of Grameenphone also gained by 0.63 % after the recent fall.
- The turnover on the bourse, however, dropped to BDT 611.76 crore on Tuesday from BDT 891.67 crore on the previous day on the investors' cautious approach.
- The average share prices of general insurance, textile, engineering and cement dropped by 0.8 %, 0.6 %, 0.3 % and 0.2 % respectively. Out of the 347 issues traded on the day, 165 declined, 124 advanced and 56 remained unchanged.
- DSE blue-chip index DS30 also added 0.38 %, or 7.61 points, to close at 1,995.00 points. Shariah index DSES increased by 0.21 %, or 2.85 points, to finish at 1,307.65 points. United Power Generation Company led the turnover leaders with its shares worth BDT 57.09 crore changing hands on the day.
- Bangladesh Submarine Cable Company, Grameenphone, Square Pharmaceuticals, Fortune Shoes, Alif Industries, Rupali Life Insurance, Monno Ceramics, Saiham Textile and Dragon Sweater were the other turnover leaders. Alif Industries gained the most on the day with a 7.44-% increase in its share prices while Dulamia Cotton was the worst loser, shedding 8.37 %.

<http://www.newagebd.net/article/65328/stocks-gain-slightly-on-bargain-hunting>

BSEC approves Royal Tulip IPO

Dhaka Tribune, February 20, 2019

- Bangladesh Securities and Exchange Commission (BSEC) has approved the initial public offering (IPO) prospectus of Sea Pearl Beach Resort and Spa Ltd (owners of Hotel Royal Tulip Sea Pearl Beach Resort in Cox's Bazar), aimed at raising BDT15 crore.
- As per the BSEC approval—under the fixed price method—Sea Pearl Beach Resort will offload 15 mn ordinary shares for BDT10 each. According to the financial statement ended on June 30, 2018, the company's net asset value (NAV) per share stood at BDT10.48, while the weighted average of earnings per share (EPS) was BDT0.41.
- Banco Finance and Investment Limited and Prime Bank Investment Limited will act as the issue manager for the IPO process. Also at Tuesday's meeting, the BSEC approved Exim Bank Limited to issue a fully redeemable non-convertible mudaraba subordinated bond worth BDT600 crore.
- The purpose of the issue is to strengthen the capital base (Tier 2) of the company. The tenure of the Exim Bank bonds will be seven years. Per unit price of the bond will be BDT1 crore. The units will be sold to banks, financial institutions, insurance companies, corporate bodies, asset management companies, mutual funds, and high net-worth individuals through private placements.

<https://www.dhakatribune.com/business/stock/2019/02/20/bsec-approves-royal-tulip-ipo>

Appollo Ispat's shock loss in July-December

The Daily Star, February 20, 2019

- Appollo Ispat's earnings per share nosedived in the first half of its financial year -- a surprising turn given the corrugated iron sheet maker's forecast of a jump in operating revenue for the period. earnings per share for the July-December period stood at BDT 0.23 in the negative, down BDT 0.10 in the positive a year earlier, according to a posting on the Dhaka Stock Exchange website on January 31.
- Earlier in March last year, the company had said its revenue will increase by BDT 540 crore annually due to higher production thanks to a new plant. Appollo Ispat's website was not live yesterday, so investors could not know whether it uploaded its financial statement on the site. No such link was also available on the website of the Dhaka Stock Exchange (DSE).
- The half-yearly loss will not hurt the company's sponsors much as their shareholding stood at 20.24 % as on January 31. Appollo Ispat's share price almost halved to BDT 7.90 from BDT 15 in the last one year. The corrugated iron sheet manufacturer got BDT 12 as premium when it listed in 2012.
- The DSE would investigate Appollo Ispat to find out whether it deceived investors through the revenue disclosure, said KAM Majedur Rahman, its managing director of the DSE. The higher-ups of Appollo Ispat could not be reached for comments.
- Earlier on February 7, Abdur Rahman, a director of the company, agreed to share the reasons behind the fall in the EPS. He needed clearance from the management to disclose the reasons and promised to get back. He never did, and stopped receiving calls from the correspondent.

<https://www.thedailystar.net/business/news/appollo-ispats-shock-loss-july-december-1704697>

MBL businesses to grow more, two new subsidiaries in the offing

The Financial Express, February 20, 2019

- Mercantile Bank Ltd (MBL) during the last three years witnessed a solid growth in all parameters of businesses due to concerted efforts, performed by a team of committed and dedicated professionals. MBL is now in the process of establishing 2 new subsidiary companies : MBL Asset Management Limited (including venture capital) and MBL MyCash Limited.
- Balance sheet size increased to BDT 398.77 bn (39,877 crore) in 2018 against BDT 285.82 bn in 2016, deposits increased to BDT 23,196 crore in 2018 against BDT 16,488 crore in 2016, loans & advances increased to BDT 22,423 crore in 2018 against BDT 15,091 crore in 2016. Total import business in 2018 was BDT 19,638 crore against BDT 13,976 crore in 2016. Total export business was BDT 15,830 crore in 2018 against BDT 11,303 crore in 2016.
- MBL has a diversified loan portfolio for economic development of the country. It encourages in all areas of business, such as, agriculture, commodities, textile, retail, jute & jute products, RMG, SME, leather, textile, import, export etc. Moreover, for encouraging young entrepreneurs (Start-up) a new product "Udayan" has been launched.

MBL's notable achievements during last three years

- High cost deposit volume declined to 30% from 40%
- Rated as 'B1' by an international rating company, Moody's
- Attaining stable position in all parameters of various measurable tools such as CRAR, CAMELS etc.
- Launching Udayan, a new product for the start up entrepreneurs
- Launching 'Young Bankers Award' for the first time in Bangladesh in 2018
- Opened 10 branches simultaneously across the country, first of its kind in Bangladesh on December 22, 2016
- Winning ICAB award for best annual report publication

<http://thefinancialexpress.com.bd/stock/mbL-businesses-to-grow-more-two-new-subSidiaries-in-the-offing-1550465106>

Guardian Life posts 300pc growth in two straight years

The Financial Express, February 20, 2019

- Guardian Life Insurance Limited, the fastest growing life insurance company in Bangladesh, saw over 300 % growth rate in the last two consecutive years -- 2016 and 2017. The country's leading life insurer was also the highest premium earner in 2016 among fourth generation life insurance companies in Bangladesh, according to the company.
- A life insurance policy is a type of insurance that provides coverage against unexpected death of the policyholder or after a set-period of time when the policy matures. Established in 2013, the Guardian Life Insurance started its business activities on January 01, 2014 and achieved a good responsible position in the insurance sector within four years of its journey. The company is looking to grow further in the coming years.
- As per the unaudited reports submitted to the Insurance Development and Regulatory Authority (IDRA) by the insurance companies at the end of the business year 2017, the Guardian Life made many outstanding achievements. It received the 'Insurance Asia Awards' in July 2017 for the 'New Insurance Products of the year, 2017'.
- The company has also the largest group insurance portfolio in the country. The company's paid-up capital is BDT 182 mn and authorised capital is BDT 2.0 bn. The sponsors of the Guardian Life Insurance are renowned and very trusted business houses in Bangladesh -- Apex, Brac and Square Group.
- The Guardian Life Insurance has currently four businesses lines: individual business, group business, micro insurance business and bank assurance. The main features of group life insurance plan and summary of benefits are as follows: For natural death -- 100 % of sum assured; accidental death -- 200 % of sum assured; permanent and total disability -- 100 % of sum assured.

Financial indicators of last four years (Figures in Tk million)

Year	2014	2015	2016	2017
Premium	33.40	107.40	461	1507.20
Total claim paid	4.60	8.50	89.20	624.90
Investment	155.20	195.20	367	990.10
Total asset	196.90	246.40	528	1322.70

Source: Guardian Life Insurance

<http://thefinancialexpress.com.bd/stock/guardian-life-posts-300pc-growth-in-two-straight-years-1550479270>

Beximco Pharma to acquire eight ANDAs from Sandoz Inc

The Financial Express, February 20, 2019

- Beximco Pharmaceuticals Limited on Tuesday announced the signing of a definitive agreement with Sandoz Inc., a division of Novartis, to acquire a portfolio of eight Abbreviated New Drug Applications (ANDAs) in the US for an undisclosed amount in cash, said a statement.
- Beximco Pharma's current US portfolio comprises six US Food and Drug Administration (FDA) approved products. Four of these products are currently being exported to the US and two products are awaiting regulatory approval. Following this transaction, Beximco Pharma's US portfolio will consist of 14 approved ANDAs.
- In August 2016, Beximco Pharma became the first Bangladeshi pharmaceutical company to export medicine to the US market following its manufacturing site approval by the US FDA in June 2015. Beximco Pharma is a leading exporter of pharmaceuticals in Bangladesh. The Company currently has a global footprint in more than 50 countries and has been accredited by the leading global regulatory authorities including the US FDA, AGES (EU), TGA (Australia), Health Canada, GCC (Gulf) and TFDA (Taiwan).

<http://thefinancialexpress.com.bd/stock/bangladesh/beximco-pharma-to-acquire-eight-andas-from-sandoz-inc-1550636697>

Move to raise BDT 8.78t from bond mkt to propel economic growth

The Financial Express, February 20, 2019

- Coordinated efforts are on to raise BDT 8.78 trillion from the bond market for achieving 8.0 % plus economic growth by 2021, officials said. The fund will be required to bridge the resource gap for achieving the 8.0 % plus growth within the timeframe to become a middle-income country, according to the officials.
- The size of nominal gross domestic product (GDP) is estimated to reach BDT 32.78 trillion by the end of fiscal year (FY) 2020-21 while the resource gap will hit BDT 8.78 trillion, according to the central bank. The Bangladesh Bank (BB) has calculated the resource gap taking into consideration the credit flow by banks, investment and fund flow from the capital market.
- The banks are still a dominant financial system asset in Bangladesh, contributing more than 62 % of asset in 2018, while the capital market has contributed 16.50 %, the BB said in a study that was placed at a strategic planning meeting on February 09.
- The corporate bond market in Bangladesh, however, remains at a nascent stage mainly due to disclosure rules and strict governance norms of the market, according to the BB officials. The high cost of launching new debt products and high transaction cost of bond-registration fee, stamp duties, annual trustee fees and ancillary charges discourage entrepreneurs from issuing corporate bonds, the central bankers explained.
- Currently, only one corporate bond -- Islami Bank Bangladesh Limited (IBBL) Mudarba Perpetual Bond -- is now traded on the country's prime bourse, the Dhaka Stock Exchange (DSE).

<http://thefinancialexpress.com.bd/economy/bangladesh/move-to-raise-BDT-878t-from-bond-mkt-to-propel-economic-growth-155063>

Economy

FY '16 to be new GDP base year

The Financial Express, February 20, 2019

- The local statistical agency has said it will adopt a new base year for calculating the Gross Domestic Product (GDP) effective from July 2020 and it is expected to raise the size of the economy by at least 10 %. Under the rebasing procedure, the fiscal year 2015-16 (FY '16) will be the new base year replacing the existing FY '06.
- Statistical agencies across the globe usually adopt the base year actually including new products and services. So, the size of the economy changes. Bangladesh last did it in 2013 by replacing the FY 1995-96 as the base year. On the last occasion the economy had expanded by around 12 %.
- The SNA-2008 and similar others prepared by the UN Statistical Council are followed by all economies. In FY17, the ratio of tax to GDP in Bangladesh was 9.1 %, the second lowest in South Asia. The country's GDP at the current price is now US\$ 274 bn and per capita income is \$ 1,751.

<http://thefinancialexpress.com.bd/economy/bangladesh/fy-16-to-be-new-gdp-base-year-1550636418>

Blue economy worth \$6.2bn

Experts meet to identify areas for development

The Daily Star, February 20, 2019

- The ocean contributes more than \$6 bn annually to the Bangladesh economy and has the potential to generate more income, analysts said yesterday. The gross value addition (GVA) of Bangladesh's ocean economy was \$6.2 bn in fiscal 2014-15, accounting for 3.3 % of the country's total GVA.

- Tourism accounted for one-fourth of the total, followed by marine fisheries and aquaculture at 22 %, transport at 22 and energy at 19 %. The blue economy offers opportunities in fishery, mineral resources, shipping and energy, said Md Khurshed Alam, secretary to the maritime affairs unit of the Ministry of Foreign Affairs. Bangladesh has the right to fish and explore resources within 118,813 square kilometres of the Bay of Bengal.
- At present, mechanised boats and industrial trawlers can catch fish up to 70 kilometres from the shoreline out of the total of 660 kilometres available. The rest of the area remains untapped, he said, adding that steps have been taken to explore deep sea fishing, particularly of tuna.
- Mariculture is a specialised branch of aquaculture involving the cultivation of marine organisms for food and other products in the open ocean, an enclosed section of the ocean, or in tanks, ponds or raceways filled with seawater. Marine fish accounted for 16 % of the total production of 43.34 lakh tonnes in fiscal 2017-18.
- The blue economy is one of the priority sectors of the government and it has taken a \$240 mn project with financing from the World Bank for sustainable development of coastal and marine fisheries.

<https://www.thedailystar.net/business/news/blue-economy-worth-62bn-1704688>

Govt, businesses seek Austrian FDI

The Daily Star, February 20, 2019

- Government high-ups and business leaders yesterday urged the Austrians to come up with foreign direct investment in Bangladesh to benefit from the business opportunity offered by the country. The potential sectors where investment could be made include readymade garment, leather and footwear, shipbuilding, agro-processing, pharmaceuticals, medical equipment, automotive, electronics and technology-driven innovative businesses, they said.
- The investment proposal came at a “Bangladesh-Austria Business Dialogue” jointly organised by the Business Initiative Leading Development (BUILD) and the ADVANTAGE Austria at the Metropolitan Chamber of Commerce & Industry, Dhaka.
- In response, 11 visiting Austrian companies showed willingness to increase their trade volume with Bangladeshi businesses. A business delegation, led by Karin Kneissl, Austrian federal minister for Europe, integration and foreign affairs, arrived on Sunday. It is scheduled to stay till Thursday to explore probable scopes for business.
- According to data from the International Trade Centre, trade between the two countries reached nearly \$870 mn in 2017, in which Bangladesh's export to Austria stood at around \$787 mn. Austrian businesses can focus on Bangladesh's energy, pharmaceuticals, healthcare and education sectors to invest their capital, he said while presenting a keynote at the dialogue.

<https://www.thedailystar.net/business/news/govt-businesses-seek-austrian-fdi-1704694>

AT A GLANCE

Trade between Austria and Bangladesh
was **\$870mn** in 2017

Bangladesh's export to Austria
was **\$787mn**

Potential sectors for Austrian investment:
RMG, leather and footwear, shipbuilding,
agro-processing, pharma, medical
equipment, electronics

Chinese loans coming at a snail's pace

A high-level Sino-Bangla meeting in April to address the issue

The Daily Star, February 20, 2019

- China has disbursed only \$500 mn to Bangladesh out of the \$22.5 bn it promised during its President Xi Jinping's landmark visit to Dhaka in October 2016. Deals aimed at bankrolling 27 projects were struck during the visit, but only five loan agreements for \$4.5 bn were signed since then.
- It takes between three months to one and a half year for loan agreements to be signed, said a senior official of the Economic Relations Division. As of January, China has disbursed about \$500 mn against the ongoing projects, with another \$500 mn likely to be on way in June.
- Against the backdrop, Dhaka wants Beijing to expedite project evaluation and approval so that it can access the funds quickly to implement the projects. A high-level talk between Bangladesh and China is scheduled for April to address the issue, the official said, adding that deals on two large power projects involving \$2.9 bn may be inked by June this year. The Chinese embassy in Dhaka did respond to requests for comment on the matter from The Daily Star.

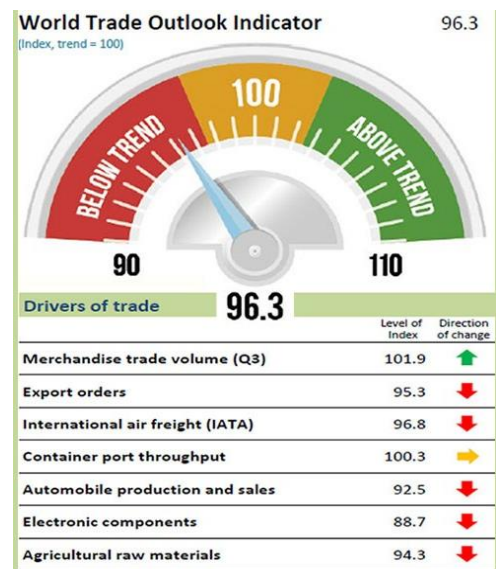
<https://www.thedailystar.net/business/news/chinese-loans-coming-snails-pace-1704712>

International

Global trade growth may slow down in Q1 of current year: WTO

The Financial Express, February 20, 2019

- Global trade growth may slow down further in the first quarter of the current year, according to the World Trade Organisation (WTO). WTO's latest World Trade Outlook Indicator (WTOI), released on Tuesday, made this prediction.
- "Trade weakness is likely to extend into the first quarter of 2019," said a press statement of the WTO. "The simultaneous decline of several trade-related indicators should put policy makers on guard for a sharper slowdown should the current trade tensions remain unresolved."
- According to the latest WTOI, indices for export orders (95.3), international air freight (96.8), automobile production and sales (92.5), electronic components (88.7) and agricultural raw materials (94.3) have shown "the strongest deviations from trend, approaching or surpassing previous lows since the financial crisis." Only the index for container port throughput remained relatively buoyant at 100.3, according to the WTO statement.



<http://thefinancialexpress.com.bd/trade/global-trade-growth-may-slow-down-in-q1-of-current-year-wto-1550578809>

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