

Stock Market

Dhaka stocks inch up on bargain hunting

New Age, June 19, 2018

- Stocks inched up on Tuesday with the turnover at the Dhaka Stock Exchange hitting a two-month high as a section of investors went for bargain hunting mostly on low- and medium-capitalised companies while others continued selling shares fearing further losses amid a prolonged bearish trend at the market.
- DSEX, the key index of the DSE, added 0.06 %, or 3.66 points, to close at 5,344.96 points on Tuesday after losing 23.92 points in the previous session.
- Stockbrokers said the market began to rise from the very beginning of the day and gained 30 points at one point as bargain hunters became active.
- The investors' participation on trading floor, however, increased as the turnover at the bourse advanced to BDT 635.78 crore on Tuesday compared with that of BDT 485.90 crore in the previous session.
- Tuesday's turnover was the highest after April 10 when it was BDT 710.96 crore.
- Market operators said the investors' concentration was mostly on low- and medium-profile companies.
- Alif Industries led the turnover chart with its shares worth BDT 30.92 crore changing hands.
- Khulna Power Company, Pharma Aid, United Power Generation Company, Monno Ceramics, Bangladesh Export Import Company, Grameenphone, Western Marine Shipyard, Legacy Footwear and Paramount Textiles were the other turnover leaders.
- Western Marine Shipyard gained the most with a 10-% increase in its share prices, while Zeal Bangla Sugar Mills was the worst loser, shedding 7.45 %.

<http://www.newagebd.net/article/43970/dhaka-stocks-inch-up-on-bargain-hunting>

Companies take aim at regulator over IPO delays

Dhaka Tribune, June 19, 2018

IPO APPLICATIONS (BOOK BUILDING METHOD) (Tk crore)		IPO APPLICATIONS (FIXED PRICE METHOD) (Tk crore)	
NAME OF COMPANY	OFFER SIZE	NAME OF COMPANY	OFFER SIZE
STS Holdings Ltd (Apollo hospital)	75.00	Kattali Textile Ltd	34.00
Runner Automobiles	100.00	Express Insurance	26.78
Popular Pharmaceuticals	70.00	Genex Infosys	20.00
Delta Hospital	50.00	New line Clothings	30.00
Index agro Industries	50.00	Cilco Pharmaceuticals	30.00
Shamsul Alamin Real Estate	80.00	Electro Battery Company	22.50
Esquire Knit Composite	150.00	S. S. Steel	25.00
Energypac Power Generation	149.86	Mohammed Elias Brothers Poy	25.00
ADN Telecom	57.00	Desh General Insurance	16.00
Star Ceramics	60.00	Infinity Technology	30.00
Baraka Patenga power	225.00	Crystal Insurance	16.00
Total	1066.86	Total	275.28

- 'The IPO process is often delayed as companies delay themselves when replying to queries by BSEC, or when providing documents sought by the commission'
- Companies which have been waiting up to two years to raise much needed capital through Initial Public Offerings (IPOs) have expressed concern over the lengthy approval process of the regulator.
- A total of 22 companies are waiting for approval from the Bangladesh Securities and Exchange Commission (BSEC) to raise over BDT1,342 crore by offloading shares through IPOs. Of these, seven applied for approval from the regulator as far back as 2016.
- The 22 companies are active in the field of medicine and in the pharmaceuticals, real estate, textile and garments, power, insurance, information technology and other manufacturing industries.
- As per the IPO prospectuses placed before the BSEC, 11 of the companies wished to float shares using the fixed price method to raise BDT275.28 crore, while the other 11 opted to raise BDT1,066.86 crore through the book building method.

<https://www.dhakatribune.com/business/2018/06/19/companies-take-aim-at-regulator-over-ipo-delays>

Time extension for quota in IPOs for crash-affected investors sought again

New Age, June 19, 2018

- The Bangladesh Securities and Exchange Commission has requested the government to extend by one year more the deadline for quota facility in initial public offerings for the investors who were affected by the 2010-11 market crash.
- The commission recently sent a request letter to the finance division of the finance ministry for extending the deadline for the 20-% IPO quota facility till June 30, 2019, a BSEC official said.
- The government extended the deadline of the quota facility for six times since its introduction in 2012.
- The quota facility has increased affected investors' chance of winning IPO shares and making some quick profits as the IPO shares are usually traded at higher prices at the secondary market.
- Finance minister AMA Muhith on March 4, 2012 announced a special package for the capital market investors including the 20-% quota facility
- in IPOs for the year 2012-2013 for small-scale investors who suffered losses because of the 2010-11 stock plunges.
- Under the package, 50 % of interest on the past year's margin loans was also waived.
- According to a BSEC report on the 2010-11 stock market crash, at least 9.30 lakh investors were affected by the debacle.

<http://www.newagebd.net/article/43895/time-extension-for-quota-in-ipos-for-crash-affected-investors-sought-again>

Economy

Remittances rise ahead of Eid festival

The Financial Express, June 19, 2018

- The country received nearly US\$900 mn in remittances in the first half of the current month as overseas Bangladeshis sent higher volume of money back home ahead of the Eid-ul-Fitr festival, officials said.
- The flow was USD 902.02 mn from May 01 to May 18.
- Non-Resident Bangladeshis (NRBs) and migrant workers normally send higher amount of foreign currencies to their near and dear ones to help them celebrate the Eid festival.
- Senior bankers, however, said the weakening local currency against the US currency has helped increase the flow of inward remittance in recent months.

- The Bangladesh Taka (BDT) depreciated by BDT 3.10 to BDT 83.70 on Monday in the inter-bank foreign exchange market from BDT 80.60 on July 02, 2017, the first working day of the FY'18.
- The strengthened surveillance of the central bank to check 'hundi', the illegal ways of moving funds across the border, has also contributed to the increased remittance inflow through the banking channel, they added.
- The inflow of overall remittances grew by over 17 % to USD 13.57 bn during the July-May period of the fiscal year (FY), 2017-18, from USD 11.55 bn in the same period of the previous fiscal.

<https://thefinancialexpress.com.bd/economy/bangladesh/remittances-rise-ahead-of-eid-festival-1529384371>

Banks' Apr excess liquidity rises 11pc for CRR cut

The Financial Express, June 14, 2018

- The overall excess liquidity with the banks increased by nearly 11 % or BDT 77.50 bn in this April, after the central bank slashed the cash reserve requirement (CRR), officials said.
- The excess liquidity rose to around BDT 805 bn in April from BDT 727 bn a month before, according to the Bangladesh Bank (BB) officials.
- It was BDT 712.36 bn in January 2018.
- Under the revised rules, the banks are now maintaining 5.50 % CRR with the BB, instead of the previous 6.50 %, from their total demand and time liabilities on a bi-weekly basis.
- The major portion of the excess liquidity has already been invested in the government-approved securities and the BB bills as risk-free investments for the banks, the BB official added.
- On the other hand, excess reserve, generally known as excess over daily minimum CRR with the BB, also rose to BDT 48 bn in April from BDT 32 bn in March.
- The central bank's selling of the US dollar has contributed to help the commercial banks reduce their excess liquidity, another BB official said.

<https://thefinancialexpress.com.bd/economy/bangladesh/banks-apr-excess-liquidity-rises-11pc-for-crr-cut-1528949680>

Net FDI drops by 4.20pc in July-April

The Financial Express, June 17, 2018

- Net inflow of foreign direct investment (FDI) dropped by 4.20 % in the first 10 months of the current fiscal year.
- Latest statistics, released by the central bank last week, showed that the net inflow of FDI stood at USD1.46 bn in July-April period of FY18, while it was USD1.52 bn in the same period of FY17.
- The data also showed that gross inflow of FDI stood at USD2.37 bn in the first 10 months of the current fiscal year, which was USD2.55 bn in the same period of the past fiscal year.
- Thus, the inflow of gross FDI declined by 7.35 % during the period under review.
- Disinvestments and repayment of loans and loss have been deducted from the gross FDI to derive the net FDI as per the sixth version of the Balance of Payments Manual of International Monetary Fund (IMF).

<https://thefinancialexpress.com.bd/economy/bangladesh/net-fdi-drops-by-420pc-in-july-april-1529219127>

FBCCI hails IBBL's move to bring down interest rate to single digit

New Age, June 19, 2018

- The Federation of Bangladesh Chambers of Commerce and Industry has hailed Islami Bank Bangladesh Limited for its move to bring down interest rate to single digit from July 1, the first day of fiscal year 2018-19.
- 'We, the business community, thank IBBL for its decision to bring down the interest rate to single digit . . . it will encourage and intensify the country's existing development trend,' said the apex trade body in a statement on Tuesday.
- This move of IBBL will boost the confidence of businesspeople and encourage them to work for creating more jobs in the country, said the FBCCI.
- Recently, prime minister Sheikh Hasina asked the owners of banks to bring down interest rate to single digit to encourage investment in the country.

<http://www.newagebd.net/article/43968/fbcc-hails-ibbls-move-to-bring-down-interest-rate-to-single-digit>

BASIC Bank scam: ACC to file plea challenging ex-DMD's bail

The Daily Star, June 20, 2018

- The Anti-Corruption Commission (ACC) will file six appeals with the Supreme Court challenging the High Court verdict that granted bail to Fazlus Sobhan, former deputy managing director of BASIC Bank, in six loan-scam cases.
- "The commission (ACC) will submit six separate leave-to-appeal petitions to the Supreme Court on June 21 seeking cancellation of the High Court order that granted bail to Fazlus Sobhan in BASIC Bank's loan-scam cases," ACC's lawyer Advocate Syed Mamun Mahbub told The Daily Star today.
- He said the leave-to-appeal petitions will be filed on the grounds that Fazlus Sobhan has committed financial offence in dealing with the loan of BASIC Bank and he is one of the main accused in the cases.
- Advocate Mamun Mahbub also said in the [leave-to-appeal] petitions, the ACC will not challenge the HC observations over the long delay in the investigation into the cases filed over the loan scam of BASIC Bank.

<https://www.thedailystar.net/business/banking/basic-bank-loan-scam-anti-corruption-commission-file-reivew-challenging-ex-dmd-bail-1592212>

Single licence for telcos' 2G, 3G and 4G services likely

New Age, June 19, 2018

- The Bangladesh Telecommunication Regulatory Commission has initiated a move to introduce a single-licence system for the mobile operators to offer 2G, 3G and 4G services with a view to reducing filing hassles.
- Currently, the mobile phone operators have to take separate licences for offering the services.
- The BTRC's move to merge the licences into one came following pleas made by the operators.
- In line with the move, the telecom regulator at its latest commission meeting formed a committee led by its legal and licensing department director general AKM Shahiduzzaman to scrutinise the issue.
- The committee would report to the commission within two months whether the single-licence system would bring positive impact or not to the sector.
- A senior BTRC official told New Age that the commission initiated the move as the mobile phone operators requested the regulator to merge the licences into one.

- The mobile phone operators made the request with a view to getting rid of extra burden of separate reporting against each of the licences, the BTRC official said.

<http://www.newagebd.net/article/43892/single-licence-for-telcos-2g-3g-and-4g-services-likely>

International

Asia stocks slide to four-month low as Trump threatens more China tariffs

The Financial Express, June 19, 2018

- A sell-off in Chinese stocks drove Asian equities to a four-month low on Tuesday as US President Donald Trump threatened new tariffs on Chinese goods in an escalating tit-for-tat trade war between the world's two biggest economies.
- Trump warned on Monday that Washington would impose a 10 % tariff on USD200 bn of Chinese goods after Beijing's decision to raise tariffs on USD50 bn in US goods, which was in retaliation for US tariffs announced on Friday.
- Trump said if China increases its tariffs again in response to the latest US move, "we will meet that action by pursuing additional tariffs on another USD200 bn of goods."
- The trade frictions have unnerved financial markets, with investors and businesses increasingly worried that a full-blown trade battle could derail global growth.
- MSCI's broadest index of Asia-Pacific shares outside Japan.MIAPJ0000PUS lost more than 1.0 % to its lowest level since early February, dragged down by a slide in Chinese shares. The index was last down 0.95 %.
- The Shanghai Composite Index. SSEC dropped 1.9 % and Hong Kong's Hang Seng .HSI shed 2.0 %.

<https://thefinancialexpress.com.bd/stock/asia-stocks-slide-to-four-month-low-as-trump-threatens-more-china-tariffs-1529386380>

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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
Mr. Md. Monirul Islam Research Associate	abir@basl-bd.com
Mr. Monir Hossain Research Associate	monir@basl-bd.com

BASL Branches

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.