

Stock Market

Dhaka stocks post modest gains for third day

New Age, August 20, 2019

- Dhaka stocks gained slightly for the third day on Monday as some investors continued with buying shares amid expectation of better earnings disclosures from companies whose financial year had ended in June. DSEX, the key index of the Dhaka Stock Exchange, added 0.20 %, or 10.72 points, to close at 5,227.26 points on Monday.
- The DSEX gained 40 points in the last three sessions. Some investors expected that the listed companies, whose financial year ended in June, would start declaring better dividends and earnings results.
- Share prices of a number of multinational companies including Grameenphone, Burger Paints and Heidelberg Cement soared on the day that contributed most to keep the market afloat. After continuous plunge in recent days, share prices of GP advanced by 2.17 % that added 15 points to the DSEX.
- Average share prices of telecommunication, textile, engineering and pharmaceutical sectors advanced by 4.8 %, 1.3 %, 1.1 % and 0.3 % respectively. Besides, share prices of a number of non-performing companies and low-capitalised scrips, including United Air, Jute Spinners, Monno Jute Stafflers and Al-haj textile increased abnormally on the day
- Out of the 353 scrips traded on Monday, 152 advanced, 152 declined and 48 remained unchanged. Turnover on the bourse advanced to BDT 485.36 crore on Monday from BDT 323.70 crore in the previous session. DS30, the blue-chip index of the DSE, gained 0.29 %, or 5.46 points, to close at 1,847.26 points
- DSE Shariah index DSES added 0.41 %, or 4.95 points, to close at 1,202.51 points. Khulna Power Company led the turnover chart with its shares worth BDT 21.45 crore changing hands. Al-Haj Textile Mills gained the most on the day with a 9.89-% increase in its share prices while Phoenix Finance 1st Mutual Fund was the worst loser, shedding 9.09 %.

<http://www.newagebd.net/article/81939/dhaka-stocks-post-modest-gains-for-third-day>

Meghna Petroleum to sell LPG

The Daily Star, August 20, 2019

- Meghna Petroleum has teamed up with BM Energy (BD) Ltd to establish a refuelling station for liquefied petroleum gas (autogas) and an LPG conversion workshop. Meghna will also sell gas of BM Energy through its registered filling stations.
- As per an expansion plan, Meghna has signed a deal with the Netherlands-Bangladesh joint venture company for which Meghna will receive a royalty of BDT 0.5 for every litre of LPG sold.

<https://www.thedailystar.net/business/news/meghna-petroleum-sell-lpg-1787698>

Economy

Banks must keep CRR, SLR against offshore unit exposures

New Age, August 20, 2019

- Bangladesh Bank on Monday made maintaining cash reserve ratio and statutory liquidity ratio compulsory for the banks against their exposure through offshore banking operations (OBO). A BB circular issued on the day said that the banks would have to maintain CRR and SLR for the OBOs along with maintaining ratios for the domestic banking operations.
- The instructions of the central bank would come into effect from September 1 this year, it said. An official of the central bank told New Age that the banks had exposure of around BDT 60,000 crore through their OBOs.
- Of the amount, there would be no requirement for maintaining CRR and SLR for around BDT 30,000 crore as the banks were already complying with the regulatory requirement, taking the amount as domestic banking wings' exposure to the OBOs.
- For rest of the exposure through OBOs, the banks will have to keep around BDT 2,400 crore with the central bank as CRR. The BB official, however, said that the additional CRR requirement would not put the banking sector, already hit by cash-crisis, into fresh burden considering BDT 85,616 crore in excess liquidity in the sector.
- Banks will have to maintain 5.5 % CRR and 13 % SLR for their exposure through offshore units as applicable for the domestic banking units. Banks have to consider six components of demand and time liabilities for the calculation of required cash reserve and statutory liquidity reserve for OBO, the BB circular said.

<http://www.newagebd.net/article/81931/banks-must-keep-crr-slr-against-offshore-unit-exposures>

Factories employing robots to boost output

The Daily Star, August 20, 2019

- Local firms are increasingly embracing robots to increase productivity and competitiveness -- a development that is poised to displace workers in the labour-abundant country. Industrial robots are mainly in use in plastic, apparel and automobiles plants and printing firms to make products, according to import data and industry insiders.
- The country's leading plastic goods maker has 50 robots that are used to take out plastic chair, table, bucket and various other household items. Starting from injection moulding machine to laminating poly foil on the product, the robots can perform all tasks.
- Thirty-two units of industrial robots were imported in fiscal 2015-16. And the use of robotics is rising at a time when the rate of job growth has slowed down although the country registered stellar economic growth.
- Between 2002-03 and 2010, 1.4 lakh jobs were created annually. The number of employment generation dipped to 95,000 per year between 2010 and 2016-17, according to labour force surveys by the Bangladesh Bureau of Statistics.

- The use of industrial robots cuts down production cost and time, increases safety and allows better space utilisation. In Bangladesh, the usage of industrial robot is increasing rapidly, especially in the automobile sector.

<https://www.thedailystar.net/business/news/factories-employing-robots-boost-output-1787743>

Trade deficit shrinks on low imports

The Daily Star, August 20, 2019

- Trade deficit narrowed down to 15 % last fiscal year thanks to a decline in imports and steady growth of exports, bringing some breathing room for the government for the time being.
- In fiscal 2018-19, trade deficit stood at \$15.94 bn, down from \$18.17 bn a year earlier, according to data from the central bank.
- Despite the declining volume of the trade gap, this is the second largest ever deficit in Bangladesh's history. Imports stood at \$55.43 bn last fiscal year, up 1.79 % year-on-year, while merchandise exports rose 11.49 % to \$39.94 bn.



<https://www.thedailystar.net/business/news/trade-deficit-shrinks-low-imports-1787725>

International

US economists expect recession in 2020 or 2021: survey

New Age, August 20, 2019

- A majority of economists expect a US recession in the next two years, but have pushed back the onset amid Federal Reserve actions, according to a survey released Monday. The survey came out after president Donald Trump pushed back against talk of a looming recession as a raft of US data reports last week showed a mixed picture on the economy.
- The National Association for Business Economists (NABE) found far fewer experts now think the next recession will start this year compared to a survey in February. NABE conducted its policy poll as Trump put the Fed under constant attack, demanding more stimulus, but before the central bank cut the benchmark lending rate on July 31.
- However, the Fed was already sending strong signals that it intended to pull back on the rate increases made in 2018 due to concerns starting to dog the economic outlook, including the trade war with China.
- However, 'the panel is split regarding whether the downturn will hit in 2020 or 2021,' Hunter said in a summary of the survey, which showed 38 % expect a contraction of growth next year, while 34 % don't see it until the following year.

- More economists shifted their recession prediction to 2021, narrowing the gap from the prior report, which had many more expecting the change next year. The results show 46 % expect at least one more rate cut this year from the Fed, while about a third see policy holding where it is now, with 2.25 % as the top end of the policy range.

<http://www.newagebd.net/article/81945/us-economists-expect-recession-in-2020-or-2021-survey>

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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

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 call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.