

## Stock Market

### Stocks gain for 2nd day as bank shares rise

New Age, September 20, 2018

- Dhaka stocks advanced for the second day on Wednesday as investors kept buying shares, especially financial and textile stocks after their recent losses. DSEX, the key index of the Dhaka Stock Exchange, gained 0.52 per cent, or 32.45 points, to close at 5,505.05 points on Wednesday after gaining 28.79 points in the previous session.
- The average share prices of banks and non-bank financial institutions advanced by 1.34 per cent and 1.25 per cent respectively. Besides, the media reported that Bangladesh's gross domestic product growth increased to 7.86 per cent in last fiscal year of 2017-18, surpassing the estimation of 7.65 per cent, and the growth also beat the budgetary target of 7.4 per cent for the period.
- The share prices of Stylecraft skyrocketed by 31 per cent in last nine trading sessions to settle at BDT 3,492 on Wednesday despite the fact that the Bangladesh Securities and Exchange Commission on August 16 sent the shares of the company to the spot market for an indefinite period due to an unusual hike in its share prices.
- The share prices of Intech Limited continued soaring in recent days mainly due to investors' irrational hype surrounding small-capitalised scrips. The share prices of the company soared by 300 per cent from BDT 17.1 in July 1 to BDT 69.40 on Wednesday.
- The average share prices of pharmaceuticals and telecommunication, however, dropped by 0.72 and 0.71 per cent respectively. The turnover on the DSE increased to BDT 824.71 crore on Wednesday compared with that of BDT 731.68 crore in the previous trading session.
- Of the 335 companies and mutual funds traded on Wednesday, 157 advanced, 132 declined, and 47 remained unchanged. DS30, the blue-chip index of the DSE, also added 0.32 per cent, or 6.11 points, to close at 1,911.21 points. Shariah index DSES, however, lost 0.07 per cent, or 0.95 points, to finish at 1,261.41 points. Khulna Power Company led the turnover chart with its shares worth BDT 81.86 crore changing hands.
- Intech Limited, Active Fine Chemicals, National Housing Finance, Paramount Textile, BBS Cables, Saiham Textile Mills, Confidence Cement, National Life Insurance Company and Aman Feed were the other turnover leaders. Janata Insurance gained the most on the day with a 10-per cent increase in its share prices, while ML Dyeing was the worst loser, shedding 7.96 per cent

<http://www.newagebd.net/article/51013/stocks-gain-for-2nd-day-as-bank-shares-rise>

### DSE gets BSEC nod to inspect 5 non-performing cos

New Age, September 20, 2018

- The Bangladesh Securities and Exchange Commission has approved the Dhaka Stock Exchange's plea for visiting factories and offices of five non-performing companies. The five companies are among the 15 companies which are being reviewed by DSE following huge criticisms about the role of the bourse and BSEC, the stock market regulator, in dealing with the companies whose share prices often soar without any price sensitive information.
- BSEC on Tuesday gave DSE the permission to visit the factories of the five low-profile companies — Kay & Que, Meghna Pet Industries, Meghna Condensed Milk Industries, Imam Button and Savar Refractories. The other 10 companies are ICB Islamic Bank, Dulamia Cotton Spinning Mills, Samata Leather Complex, Shyampur Sugar Mills, Zeal Bangla Sugar Mills, Beximco Synthetics, Jute Spinners, Shinepukur Ceramics, Sonargaon Textiles and Information Services Network.

- Operations of most of the 15 companies were shut while some companies are partially active. DSE cracked down on these companies as the issuers have failed to declare dividends for a period of five years from the date of declaration of last dividend or the date of listing with the exchange.
- Despite of their poor financial conditions, the share prices of all the 15 companies witnessed heavy buying pressure from investors. On July 18, DSE delisted Rahima Food Limited and Modern Dying and Screen Printing Limited as the share prices of the companies had continued surging abnormally despite the companies remaining out of operation for long.

<http://www.newagebd.net/article/51014/dse-gets-bsec-nod-to-inspect-5-non-performing-cos>

## Economy

### Intra-South Asia trade to triple to \$67b if tariff barriers lifted: WB

New Age, September 20, 2018

- Intra-South Asia annual trade could increase threefold to \$67bn from the existing \$23bn if trade barriers including tariffs, para tariffs and trust deficit are eliminated, said a World Bank report. The report also estimated that Bangladesh had the potential to double its trade with South Asian countries to \$18.9bn from the existing \$7.6bn by eliminating the barriers.
- The WB report titled 'A Glass Half Full: The Promise of Regional Trade in South Asia' was launched at a ceremony held at the Amari Hotel in Dhaka on Wednesday. Policy Research Institute of Bangladesh and World Bank Group organised the report launching ceremony.
- The report mentioned India, Pakistan and Sri Lanka as the top three trading partners of Bangladesh in South Asia. Speaking about the potential of regional trade, Sanjay said that South Asia was the most disjointed region despite being the most rapidly growing area.
- In South Asia, protection is greater in the case of imports from within the South Asian region than from the rest of the world, Sanjay observed. South Asia is in the bottom considering the intraregional trade as a share of regional gross domestic product compared with East Asia and Pacific, Latin America and the Caribbean, Middle East and North Africa, and Sub-Saharan Africa, he said.
- World Bank country director (Bangladesh, Bhutan and Nepal) Qimiao Fan said that only 9 per cent of Bangladesh's trade was with South Asian countries. There are a lot of potentials to increase the trade and that's why Bangladesh needs to rethink how to increase the potentials, he said. Qimiao mentioned high tariff and para tariff, non-tariff, connectivity cost and border trust deficit as the four major barriers to increasing regional trade in South Asia.

<http://www.newagebd.net/article/51009/intra-south-asia-trade-to-triple-to-67b-if-tariff-barriers-lifted-wb>

### Rajuk wavers on executing large housing projects

The Daily Star, September 20, 2018

- The Rajdhani Unnayan Kartripakkho (Rajuk) has not fared well as it has transgressed the bounds of its mandate in undertaking housing projects, experts said. The Rajuk failed to deliver tangibly in implementing any of its big housing projects, they further said.
- Project implementation periods were extended several times, increasing the costs to the detriment of clients, they elaborated. The housing projects the Rajuk has undertaken include the Purbachal New Town Project which is the largest, Uttara Residential Model Town (3rd Phase) Project, Jhilmil Residential Project and Uttara Apartment Project.

- The situation is almost similar in implementation of every project. According to the Rajuk annual report for 2016-17, the Purbachal project was initiated in 1995-96 and approved in 2005. Its revised development project proforma (RDPP) was approved in 2010.
- Under the project the development work started in 2002-03 in 30 sectors covering 6,150 acres of land. The project cost leapt from BDT 33.11bn (3,311 crore) to BDT 77.82bn within the last 23 years. The annual report shows that there are 25,000 residential plots, of which 15,000 have been handed over to their owners in sector nos. 01, 04, 05, 11, 13, 14 and 17. Handover of residential plots in sector nos. 09, 10, 29 and 30 is ongoing.
- The Jhilmil project was approved in 1998. It was planned to be implemented covering 381.19 acres of land at a cost of BDT 1.36bn (136 crore). The project cost was revised twice. Under the Uttara Apartment Project, 179 buildings, each sixteen-storied were supposed to be constructed comprising 15,036 flats. The duration was November 2011 to June 2016. However, the duration was extended up to June 2018 without any upward revision of cost.

<http://thefinancialexpress.com.bd/trade/rajuk-wavers-on-executing-large-housing-projects-1537414741>

## JS passes Road Transport Bill-2018

New Age, September 20, 2018

- Jatiya Sangsad on Wednesday passed the much-talked about Road Transport Bill, 2018 with provisions of maximum five-year jail for any death or serious injuries caused by reckless or negligent driving and death penalty for intentional murder by driving.
- Section 105 of the proposed bill mentions that if anyone sustains serious injuries or loses life in any motor vehicle accident, such offenses will be considered as crimes under the relevant provisions of the Penal Code 1860. Notwithstanding the punishments prescribed in the Section 304B of the Penal Code, whoever causes the serious injuries or death of any person by rash or negligent driving will be punished with imprisonment for maximum five years or with a fine of BDT 5 lakh or both, the section proposes.
- The maximum punishment for this offence was seven-year imprisonment in the past, which was later reduced to three-year imprisonment by an amendment to the Penal Code. The driving licence can be cancelled, withdrawn or suspended in case of illness, insanity, physical and mental incapability, taking alcohol, habitual crimes or any other reason, proposed section 12 of the bill. Section 6 of the bill proposed successful completion of Class VIII as the minimum educational qualification for having a driving licence.
- Section 53 proposed the establishment of a financial assistance fund to provide compensation or medical treatment cost to the victims of road accidents of their families. A trusty board, led by a chairman, will maintain the fund. The victims will get compensation or medical treatment costs as fixed by the trusty board, as per the section.
- Section 39 proposed that the working hours for drivers, helpers-cum-cleaners and conductors would be fixed by an official gazette notification keeping consistency with the Bangladesh Labour Act 2006 and the employers must follow it.

<http://www.newagebd.net/article/51039/js-passes-road-transport-bill-2018>

## Import duty on raw materials for metal package cut

New Age, September 20, 2018

- National Board of Revenue has cut duty on import of raw materials for manufacturing of metal packages, like can and container, and tin-coated household products. Customs wing of NBR on Tuesday issued a statutory regulatory order

lowering the customs duty to 10 per cent from existing 25 per cent and withdrawing 3 per cent regulatory duty on import of flat-rolled products of iron.

- Previously, total tax on import of the items was 60.73 per cent, including 25 per cent CD, 3 per cent RD, 15 per cent value-added tax, 5 per cent advance income tax and 5 per cent advance trade VAT.
- Customs officials said that NBR offered the duty benefits following a proposal of Bangladesh CR Coil Manufacturers and Exporters Association, Bangladesh Iron and Steel Importers Association, Bangladesh Metal Packaging Manufacturers Association, Padma Cans and Closures Ltd and Vitacan Industries Ltd.
- The associations and companies are the main importers of the raw materials which are used to produce metal packages like can, container and tubes for food processing, beverage and milk products and pharmaceuticals companies. In addition, the products are also used to manufacture metal almirah, file cabinet, trunk, utensils, jug, drum, stove and other home appliances.

<http://www.newagebd.net/article/51010/import-duty-on-raw-materials-for-metal-package-cut>

## International

### Banks, traders launch first commodities blockchain platform

New Age, September 20, 2018

- Global banks and trading firms are launching the first blockchain-based platform for financing the trading of commodities from oil to wheat, they said in a joint statement on Wednesday. The platform will be run by a venture called komgo SA, based in Geneva, Switzerland, and is due to go live later this year.
- Banks and major trading firms have been testing numerous pilot schemes across commodities over the last few years but this venture will be the first that any firm can join. The komgo founders include ABN AMRO, BNP Paribas, Citi, Crédit Agricole Group, Gunvor, ING, Koch Supply & Trading, Macquarie, Mercuria, MUFG Bank, Natixis, Rabobank, Shell, SGS and Societe Generale.
- Blockchain, originally the platform behind cryptocurrency Bitcoin, is viewed by many as a solution to trade and settlement inefficiencies, and to improving transparency and reducing the risk of fraud. A high-tech ledger, blockchain uses a shared database that updates in real-time and can process and settle transactions in minutes without the need for third-party verification.
- Instead of sharing a mountain of paperwork between a long list of parties, a trader will instead be able to use a digital letter of credit, speeding up transactions considerably. komgo will first be used for energy. The first trades will be crude cargoes in the North Sea, the benchmark setting region for much of the world's crude trading. From early next year, komgo will widen to agriculture and metals. The firm will work alongside Vakt, an energy trading platform run by many of the same shareholders in komgo.

<http://www.newagebd.net/article/51015/banks-traders-launch-first-commodities-blockchain-platform>

### Global tech firms gear up to fight India's planned data law

New Age, September 20, 2018

- Global tech companies plan to oppose new legislation in India that would require Facebook, PayPal and others to store user data in the country, arguing it will hurt investment and the business models of foreign and domestic firms. In July, a government panel recommended that all 'critical personal data' should be processed in India, and presented a draft bill that could affect how global firms store customer data.

- Facebook, Mastercard and PayPal fear the new law, which follows similar measures in China and Vietnam, would increase their compliance and infrastructure costs, and affect planned investments. Their concerns are to be taken up by lobby groups planning a joint effort to pressure New Delhi to reconsider.
- Together they represent some of the biggest names in global technology, including Alphabet Inc's Google, Salesforce.com Inc, Microsoft and India's Wipro.
- The US-India forum said it was working to build an industry-wide consensus on data protection. The Confederation of Indian Industry is also canvassing members to join the effort, an industry source said. TechUK declined to comment, while NASSCOM did not respond to a request for comment. India is the latest country to seek tighter control over data and domestic operations of global tech firms.
- In June, Vietnam passed a cybersecurity law for technology firms to store 'important' personal data on users in the country. Industry lobby groups opposed the measure. For India, home to several global tech firms, the data law appears set to become the newest irritant in trade with the United States. Besides the data law, government panels are drafting policies to regulate data stored by cloud computing, e-commerce and payment companies.

<http://www.newagebd.net/article/51018/global-tech-firms-gear-up-to-fight-indias-planned-data-law>

## Disclaimer

This document has been prepared by Bank Asia Securities Ltd (BASL) based on publicly available data for information purpose only and does not solicit any action based on the material contained herein and should not be construed as an offer or solicitation to buy or sell or subscribe to any security. Neither BASL nor any of its directors, shareholders, member of the management or employee represents or warrants expressly or impliedly that the information or data of the sources used in the documents are genuine, accurate, complete, authentic and correct. However, all reasonable care has been taken to ensure the accuracy of the contents of this document. BASL or Research & Development Department will not take any responsibility for any decisions made based on the information herein. As this document has been made for the Traders of BASL and strongly prohibited for circulation to any clients, investors or any other persons from outside of BASL.

## About Bank Asia Securities Ltd

Bank Asia Securities Limited (BASL) is one of the leading full-service brokerage companies in Bangladesh. The company was formed in 2009 and running its operation as a majority owned subsidiary of Bank Asia Limited. BASL offers full-fledged standard brokerage services for retail, institutional and foreign clients with a dedicated team of skilled professionals. The company is currently providing the brokerage services under the membership of Dhaka Stock Exchange Limited (DSE).

## BASL Research Team

|   |  |
|---|--|
| Mr. Shariful Alam Chowdhury<br>Head of Research & Investments | tushar@basl-bd.com, tusharbd@bloomberg.net     |
| Mr. Shohidul Islam<br>Research Analyst                        | shohidul@basl-bd.com, shohidulbd@bloomberg.net |
| Tanzin Naher<br>Research Associate                            | tanzin@basl-bd.com                             |
| Mr. Monir Hossain<br>Research Associate                       | monir@basl-bd.com                              |

## BASL Networks

|  |   |   |   |
|--|---|---|---|
| <b>Head Office</b><br>Hadi Mansion (7th Floor)<br>2, Dilkusha Commercial Area<br>Dhaka-1000, Bangladesh<br>Phone: +88-02-9515826-28<br>Fax: +88-02-9567884 | <b>Modhumita Extension Office</b><br>158-160 Modhumita Building<br>(5th Floor)<br>Motijheel C/A, Dhaka-1000<br>Phone: +88-01819118893 | <b>Dhanmondi Branch</b><br>Meher Plaza (1st Floor),<br>House # 13/A, Road # 05<br>Dhanmondi, Dhaka - 1207<br>Phone: +8802-8624874-5 | <b>Mirpur Branch</b><br>Nishi Plaza, plot # 01,<br>Avenue-04, Section-06,<br>Block-C<br>Mirpur, Dhaka - 1216<br>Phone: +88-02-9013841 |
| <b>Uttara Branch</b><br>House # 79/A, (4th Floor),<br>Road # 07, Sector # 04<br>Uttara Model Town, Dhaka-<br>1230<br>Phone: +88-02-8958371                 | <b>Banani Branch</b><br>Nur Empori, Plot # 77 (1st<br>Floor), Road No # 11,<br>Banani,<br>Dhaka-1213<br>Phone: +8801716180767         | <b>Khulna Branch</b><br>28, Sir Iqbal Road (1st Floor)<br>Khulna<br>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](mailto:research@basl-bd.com).