

Stock Market

Dhaka stocks drop as financial scrips face corrections

New Age, January 22, 2019

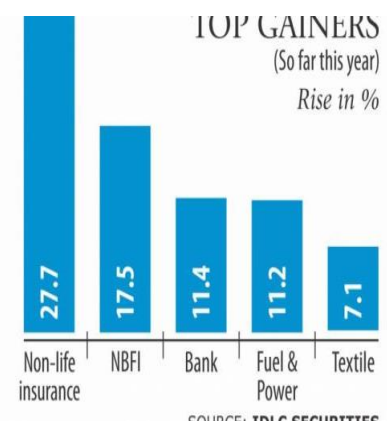
- Dhaka stocks dropped on Monday after hitting an 11-month high in the previous session as investors went for selling shares to book profits, especially from the financial shares after their recent gains. DSEX, the key index of Dhaka Stock Exchange, lost 0.47 %, or 27.97 points, to close at 5,859.30 points on Monday after gaining 61.70 points in the previous session.
- The market was largely bearish in last year. The financial sectors led the dive on Monday with a loss in average share prices of bank and NBFI of 1.4 % and 0.7 % respectively after their continuous gains. Out of the traded 30 bank scrips, 24 dropped, just one advanced and five remained unchanged while out of the 23 NBFIs, 18 declined, four advanced and one remained unchanged on the day.
- Share prices of cement, food and telecommunication also witnessed price corrections on Monday. Among the prominent scrips, share prices of BRAC Bank, Islami Bank and Grameenphone declined most on the day. On the other hand, share prices of energy, pharmaceutical and textile sectors advanced by 0.5 %, 0.11 % and 0.1 % respectively.
- The textile sector led the turnover chart with 13.1 % of the day's total turnover. The turnover on the bourse declined to BDT 885.34 crore on Monday compared with that of BDT 968.91 crore in the previous trading session. Of the 336 companies and mutual funds traded on Monday, 184 declined, 126 advanced and 37 remained unchanged.
- DSE blue-chip index DS30 dropped by 0.40 %, or 8.19 points, to close at 2,021.70 points. Shariah index DSES dipped by 0.23 %, or 3.06 points, to finish at 1,315.79 points. United Power Generation Company led the turnover leaders with its shares worth BDT 25.26 crore changing hands on the day. Square Pharmaceutical, Dragon Sweater, Premier Bank, Pharma Aid, SS Steel, Sandhani Insurance, BBS Cables, Olympic Industries and LankaBangla Finance were the other turnover leaders. Agrani Insurance gained the most on the day with a 9.82-% increase in its share prices, while Savar Refractories was the worst loser, shedding 9.94 %.

<http://www.newagebd.net/article/62483/dhaka-stocks-drop-as-financial-scrips-face-corrections>

Finance stocks thrive on low prices

The Daily Star, January 22, 2019

- Shares on the Dhaka Stock Exchange (DSE) gained 475 points, or 8.80 %, in the last 15 trading days led by rise in finance securities as investors flock to them due to low prices ahead of their full-year earnings reports. According to IDLC Securities, non-life insurance stocks rose 27.7 %, the highest among all the sectors. The non-bank financial institutions and banking sectors were up 17.5 and 11.4 % respectively during the period.
- The financial sector's accounting period runs from January to December, while all the listed companies in other categories prepare their balance sheets on the basis of the fiscal year that begins from July. The PE is the ratio for valuing a company that measures its current share price relative to its per-share earnings.
- A low PE can indicate either that a company may currently be undervalued or that the company is doing exceptionally well relative to its past trends. On January 3, the PE ratio of the banking sector was 9.48 whereas the



SOURCE: IDLC SECURITIES

market PE ratio was 15.68. On the same day, the PE ratio of the financial institutions and the insurance sectors was 14.78 and 12.42 respectively, according to DSE data.

- According to the central bank data, the amount of default loans rose 11.23 % to BDT 99,370 crore at the end of the third quarter in 2018, compared to the previous quarter. The amount is up 24 % from a year earlier. The toxic loans now account for 11.45 % of the banking sector's total loans, up from 10.41 % in June.

<https://www.thedailystar.net/business/news/finance-stocks-thrive-low-prices-1691089>

Prices of two ins cos go wild

The companies deny any PSI in knee-jerk replies

The Financial Express, January 22, 2019

- Share prices of Sonar Bangla Insurance and United Insurance are soaring 'unusually' though there was no undisclosed price sensitive information for such hike of shares. The share prices of the companies soared up to 149 % in nine to thirteen sessions in a row on Dhaka Stock Exchange (DSE).
- Following the DSE queries, the companies recently informed that there was no 'undisclosed' price sensitive information for recent 'unusual' price hike of shares. Nevertheless, the share prices of the companies are rising continuously.
- The share price of Sonar Bangla Insurance closed at BDT 29.70 each on Sunday with a rise of 10 % or BDT 2.70 on the DSE. On the day, the company was the second gainer in the chart of top 10 gainers of the premier bourse. A continuous price hike of the shares of Sonar Bangla Insurance was observed in nine sessions as of Sunday.
- During the period, the company's share price soared 84.47 % or BDT 16.10. In response to a DSE query dated on January 15 last, the company informed that there is no undisclosed price sensitive information for recent 'unusual' price hike of shares.
- The share price of United Insurance rose 9.97 % or BDT 5.80 to close at BDT 64 each on Sunday. On the day, the company was number three gainer on the premier bourse DSE. The company's share price closed at BDT 25.70 each on January 1 last. Later, the share trading was executed for 13 sessions and the share price of United Insurance rose in 12 sessions. The company's share price rose 149 % or BDT 38.30 in last 13 sessions, including the price hike of Sunday.

<http://thefinancialexpress.com.bd/stock/prices-of-two-ins-cos-go-wild-1548045770>

Mashrur becomes City Bank MD

New Age, January 22, 2019

- Mashrur Arefin has been appointed as the managing director and CEO of The City Bank Limited recently, the bank said in a statement following the approval from the central bank. Mashrur was working in the same bank as an additional managing director for the last 3 years prior to his new assignment, it said.
- Mashrur started his career as a management trainee in ANZ Grindlays Bank in 1995 and worked also in its headquarters in Australia. Mashrur joined City Bank in 2007 as head of retail banking. He also served the bank as its chief communications officer and chief operating officer, among other roles. He is a director of the bank's subsidiary remittance company in Malaysia and its merchant bank subsidiary as well, the release said.
- Mashrur held a number of senior roles in branch banking, retail, SME, cards, operations and digital banking in banks like ANZ Grindlays, Standard Chartered - Qatar, American Express, Citibank NA and Eastern Bank. He is credited with launching American Express cards in Bangladesh, said the release.
- Mashrur is an ex-student of Barisal Cadet College and an MA from Dhaka University and an MBA from Victoria University, Australia. He completed higher management courses in INSEAD, France, it said. Besides banking, he is

known as a writer too. His translation titled 'Complete Stories of Franz Kafka' won the 'BRAC-Samakal Literary Award' and was adjudged the year's 'Best Publication' by Bangla Academy. His translation of Homer's epic 'The Iliad' was also well received by readers and academics, said the release.

<http://www.newagebd.net/article/62493/mashrur-becomes-city-bank-md>

Economy

Mobile phone assembly picks up momentum

The Daily Star, January 22, 2019

- Local handset plants churned out 23 lakh units in 2018, with the government's policy that compelled importers to set up plants in the country looking to bear fruit. So far five plants have started rolling, while a good number of local and international brands are in the process of setting up new factories, thanks to the duty structure designed to discourage imports.
- Currently, there is 32 % tax on handset import. The tax comes down to 18 % for local assembling, while for manufacturing it is about 13 %. Local brand Walton, which was the first to set up a plant in October 2017, sold about 11 lakh units last year. The assembly line rolled very slowly initially, but it picked up pace later on, so much that Walton fully stopped importing handsets from July last year.
- In the first six months of 2018, Walton had imported about seven lakh units from China. At present, the plant assembles three lakh units a month. Symphony, the market leader, has also set up a plant, the output from which has been added to their imported products in the last two months.
- Al Amin Brothers, a local company that has been importing handsets for over two decades, set up its plant in Gazipur near the National University investing about BDT 30 crore. It started assembling "5 Star Mobile" brand two months ago and from December started rolling out the handsets in the market. In the first month it has distributed 35,000 units of four different models, all of which are feature phones.

MOBILE PHONES ASSEMBLED SO FAR	
	11 lakh (3.5 lakh smartphones)
	6 lakh (all 4G)
	3.5 lakh (half are smartphones)
	3 lakh (1 lakh smartphones)
	35,000 (no smartphone)

<https://www.thedailystar.net/business/news/mobile-phone-assembly-picks-momentum-1691104>

BB steps up monitoring as farm loan disbursement falls by 5.0pc

Meeting with officials of 30 banks today

The Financial Express, January 22, 2019

- The central bank has strengthened monitoring and supervision as the first half (H1) of this fiscal year (FY) has witnessed a fall in the disbursement of agriculture loans by nearly 5.0 %, officials said. As per its latest move, the Bangladesh Bank (BB) is set to meet with senior officials of 30 local and foreign private banks today (Tuesday) to know about their 'action plan' for the second half (H2) of FY 2018-19.
- The banks, whose farm loan disbursement performances were not up to the mark, have been asked to provide their updated information on overall agriculture credit activities at the special meeting, the officials said. The agriculture loan disbursement came down to BDT 102.31 bn in the July-December period of FY '19 from BDT 107.56 bn in the same period of the previous fiscal, according to the central bank's latest statistics.

- Of the total amount, BDT 50.74 bn was disbursed by eight public banks and the remaining BDT 51.57 bn by the private commercial banks (PCBs) and foreign commercial banks (FCBs). All the banks have achieved nearly 47 % of their annual agricultural loan disbursement target for FY '19. The target has been fixed at BDT 218 bn.
- Meanwhile, the central bank has asked the eight state-owned banks to continue their efforts to achieve the target by the end of this fiscal. The eight state-owned banks are Sonali Bank Limited, Janata Bank Limited, Agrani Bank Limited, Rupali Bank Limited, BASIC Bank Limited, Bangladesh Development Bank Limited (BDBL), Bangladesh Krishi Bank (BKB) and Rajshahi Krishi Unnayan Bank (RAKUB).

<http://thefinancialexpress.com.bd/trade/bb-steps-up-monitoring-as-farm-loan-disbursement-falls-by-50pc-1548127581>

Loan disbursement to SMEs drops 6pc in 9 months

New Age, January 22, 2019

- Small and medium entrepreneurs' loan from banks and non-bank financial institutions declined by 6.01 % or BDT 7,391.28 crore in January-September period of the year 2018 compared with that in the same period of the year 2017. As per a recently released central bank report, banks and NBFIs disbursed BDT 1,15,654.85 crore in loans to the SME sector in nine months of the year 2018, while the figure was BDT 1,23,046.13 crore in the same period of the year 2017.
- The BB on January 30 reduced the advance loan-deposit ratio for conventional banks to 83.5 % from 85 % and IDR (income-deposit ratio) for Islamic banks to 89 % from 90 % and the entities are supposed to adjust the ratio by March, 2019.
- The issue of banks and NBFIs liquidity crisis was reflected in the overall loan disbursement in the private sector. Last year in December, private sector credit growth dropped to a 39 months low at 13.2 %. During the July-September quarter, 2018, banks and NBFIs disbursed BDT 36,913.26 crore to the SMEs while the figure was BDT 39,539.39 crore in the same period in the previous year.
- Although SME loan disbursement to the service and manufacturing sectors increased in January-September period of the year 2018, loans to entrepreneurs associated with the trade sector fell sharply by 33.95 % or BDT 26,387 crore.
- In January-September of the year, SME loans to entrepreneurs associated with the trade sector declined to BDT 51,330.34 crore while the figure was BDT 77,718.14 crore in the same quarter in 2017. Manufacturing sector received BDT 37,993.25 crore in nine months of the year against BDT 29,557.18 crore in the same period in the previous year.

<http://www.newagebd.net/article/62482/loan-disbursement-to-smes-drops-6pc-in-9-months>

BD FDI flow up despite global decline in 2018

China biggest contributor

The Financial Express, January 22, 2019

- The flow of foreign direct investment (FDI) into the country recorded substantial rise in 2018 with China becoming the top contributor. The development came in contrast to the decline in global inflow of FDI last year, according a report of the UNCTAD.
- Net inflow of FDI into the country, according to the Bangladesh Bank data, was \$2.26 bn during the January-September period of 2018. The figure represented a 51.62 %



increase in FDI inflow over that of corresponding period of 2017. A total of \$1.49 bn FDI flowed into the country during the first nine months of 2017.

- In fact, the nine-month FDI in 2018 surpassed total FDI worth \$2.15 bn in 2017. China became the top source of FDI in Bangladesh as net inflow of FDI from the second largest economy of the world reached \$812.15 bn in the first nine months of 2018 due to big Chinese investment in the power sector.
- Investment Trend Monitor, released by the United Nations Conference on Trade and Development (UNCTAD) on Monday, estimated that global FDI inflow declined 17 % to \$1.19 trillion in 2018 from \$1.47 trillion in 2017. Though the figure of 2018 is based on a preliminary estimation, it is likely to stay close to it at the final count which will be released in the middle of the year.
- Inflow of global FDI was \$1.98 trillion in 2015 which declined to \$1.86 trillion in 2016. It is also estimated that FDI flow into developed economies last year was the lowest since 2004. In contrast, inflow of FDI into developing economies increased by 3.0 % to \$694 bn and the share of these economies in global FDI reached 58 % last year.
- Bangladesh is an example of developing nations' robust FDI inflow past year, though the country still gets a tinny amount of foreign investment. During the period under review, gross inflow of FDI also stood at \$2.93 bn while the amount of disinvestment was \$0.67 bn, according to Bangladesh Bank statistics.

<http://thefinancialexpress.com.bd/economy/bangladesh/bd-fdi-flow-up-despite-global-decline-in-2018-1548126872>

IMEI database to be inaugurated today

New Age, January 22, 2019

- International mobile equipment identity (IMEI) database will be inaugurated today with a view to facilitating customers checking legality of mobile handsets before purchasing. Bangladesh Telecommunication Regulatory Commission in association with Bangladesh Mobile Phone Importers Association has installed the database for the prevention of illegal import of handsets.
- The IMEI is a 15-digit unique identification or serial number that all mobile phones have. It is used to identify valid devices and stop a stolen phone from accessing the network it uses. People have to dial *#06# to instantly see the IMEI on the screen of a handset.
- Although BMPIA funded the database installation cost, the telecom regulator would operate the database as it would be located at its secretariat in Dhaka.
- The IMEI database would be inaugurated in presence of posts, telecommunications and information technology minister Mustafa Jabbar at BTRC secretariat in Dhaka where acting BTRC chairman Md Jahurul Haque would be present, among others.
- Officials of BTRC said that only the legally imported and locally manufactured handsets' IMEI information would be stored in the database. The mobile phone users' existing handsets including legally imported and illegally imported ones would be registered with the IMEI database automatically as the mobile phone operators would provide the data to BTRC.
- In 2017, a total of 3.34 crore handsets were imported to the country through the legal channel, which accounted for 70 % of the devices imported in the year, as per the statement BMPIA. The imports of the handsets contributed to the government exchequer around BDT 2,000 crore in import duties, but the rest 30 % were brought to the country by dodging import taxes.

<http://www.newagebd.net/article/62481/imei-database-to-be-inaugurated-today>

Adani Wilmar to invest \$400m at Mirsarai EZ

New Age, January 22, 2019

- Adani Wilmar Limited, a joint venture of India and Singapore-based two companies, has set a plan to invest \$400 mn or BDT 3,350 crore at the Mirsarai Economic Zone in Chattogram to establish agro-based factories. In this regard, a land lease agreement was inked on Monday between the Bangladesh Economic Zone Authority (BEZA) and the Adani Wilmar Limited at the BEZA headquarters in the city, said a press release.
- BEZA executive chairman Paban Chowdhury presided over the agreement signing function. BEZA executive member Mohammed Ayub and general manager of the Adani Wilmar Limited Inam Ahmed signed the agreement on behalf of their respective sides.
- Paban Chowdhury said consumers of the country would get benefits after implementation of the Adani and Wilmar's proposals as they would manufacture the products of food processing industries. He said that both local and foreign investors were showing interest to invest in the Bangabandhu industrial park as BEZA was providing international standard facilities to the investors of the industrial park.
- He informed that a total of three investors had already laid their foundation stones in the industrial park. Adani Wilmar Limited will develop the land by itself at the Mirsarai Economic Zone, which is a part of Bangabandhu Sheikh Mujib Industrial City spreading up to Chattogram's Mirsarai, Sitakundu and Feni's Sonagazi upazilas on 30,000 acres of land.
- Adani Wilmar will start developing infrastructures within six months of handing over the land to it by the BEZA. It manufacture import-substitute food items in 11 industrial units on 100 acres of land and create 3,550 employments. They have a plan to go operation within three years.

<http://www.newagebd.net/article/62495/adani-wilmar-to-invest-400m-at-mirsarai-ez>

International

PM May tries to tweak defeated Brexit plan, refuses to rule out no-deal

The Financial Express, January 22, 2019

- Britain's Prime Minister Theresa May leaves church, near High Wycombe, Britain, January 20, 2019. Reuters. British Prime Minister Theresa May sought to break the parliamentary deadlock over Brexit on Monday by proposing to seek further concessions from the European Union on a plan to prevent customs checks on the Irish border.
- With little time left until the United Kingdom is due to leave the European Union on March 29, there is no agreement in London on how and even whether it should leave the world's biggest trading bloc, and a growing chance of a dramatic 'no-deal' exit with no provisions to soften the economic shock.
- After her Brexit divorce deal with Brussels was rejected by 432-202 lawmakers last Tuesday, the biggest defeat in modern British history, May has been searching for a way to get a deal through. She told parliament she could not take a "no-deal" Brexit off the table as there was no approved alternative, and the EU would be unlikely to postpone Britain's exit date - determined by the "Article 50" withdrawal notice - without an exit plan.
- She said another referendum would strengthen the hand of those seeking to break up the United Kingdom and could damage social cohesion by undermining faith in democracy. May vowed to be "more flexible" with lawmakers in trying to agree changes to the Northern Irish backstop, an insurance policy to ensure there will be no return to border checks between the British province and Ireland.

<http://thefinancialexpress.com.bd/world/europe/pm-may-tries-to-tweak-defeated-brexit-plan-refuses-to-rule-out-no-deal-1548127229>

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