

## Stock Market

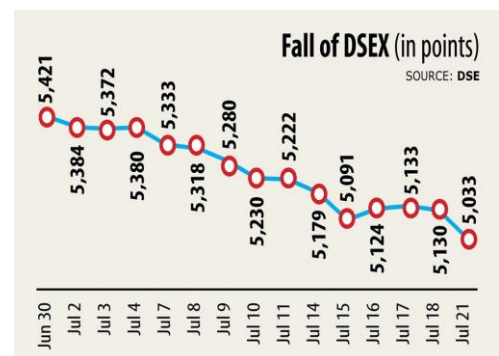
### Stocks continue to bleed, Tk 23,142cr lost in 3 weeks

The Daily Star, July 22, 2019

- Stock investors lost Tk 23,142 crore in the last three weeks but the regulator is yet to take any action to stem the tide. Since June 27, the DSEX, the benchmark index of the Dhaka Stock Exchange, shed a staggering 397 points to close at 5,033 yesterday, which is the lowest in two-and-a-half years.
- The slide began when news emerged that fiscal 2019-20's budget would be passed in the parliament on June 30 without any significant incentive for stocks and the market hardly rebounded since.
- The DSEX dropped 96.95 points, or 1.88 %, yesterday, while turnover dropped 6.7 % to Tk 368.64 crore. Of the traded issues, 61 advanced and 273 declined, while 18 remained unchanged
- Fortune Shoes dominated the turnover chart with its transaction of 49.63 lakh shares worth Tk 20.03 crore, followed by United Power Generations, Federal Insurance, JMI Syringes and Beximco.
- Vanguard AML Rupali Bank Balanced Fund was the day's best performer with its 10 % gain, while Aziz Pipes was the worst loser, shedding 9.97 %. Chittagong stocks also fell, with the bourse's benchmark index, CSCX, declining 185.03 points, or 1.93 %, to finish the day at 9,373.25.
- Losers beat gainers as 231 declined and 42 advanced, while 11 finished unchanged on the Chittagong Stock Exchange. The port city bourse traded 79.29 lakh shares and mutual fund units worth Tk 17.10 crore.

### REASONS FOR SLUMP

- Liquidity crisis
- Grameenphone-NBR dispute over tax
- Liquidation of People's Leasing
- Sales pressure from foreign investors
- Weak mutual fund sector



<https://www.thedailystar.net/business/news/stocks-continue-bleed-tk-23142cr-lost-3-weeks-1775116>

### Bank Asia's agent banking deposits cross Tk 1,000cr

The Daily Star, July 22, 2019

- Bank Asia's deposits in agent banking have recently crossed the Tk 1,000 crore mark, further consolidating the bank's position in the sector.
- Bangladesh Bank has so far given agent banking licences to 21 banks but 19 has so far rolled out their service. Of them, Dutch-Bangla Bank and Bank Asia are leading the pack with a combined market share of 78 %.
- Introduced in 2016, agent banking allows the underserved population to take limited scale banking and financial services by way of authorised agents. Usually, the owners of the village stores conduct banking

transactions -- such as cash deposits and withdrawals, loans and remittance disbursement -- on behalf of a bank.

- As of March, total deposits through agent banking stood at Tk 3,734 crore, according to data from the BB. In 2018, Tk 3,112 crore was received by way of agent banking, up from Tk 1,399 crore a year earlier.
- A Rouf Chowdhury, chairman of the bank, along with directors and managing director, celebrated the landmark at an event held at the Bank Asia Tower in the capital recently. At present, Bank Asia has 2,880 agent banking points in 64 districts.

<https://www.thedailystar.net/business/banking/news/bank-asias-agent-banking-deposits-cross-tk-1000cr-1775056>

## Fortune signs export deal with Steve Madden

*Shoes worth \$4.0m to be shipped by Oct*

The Daily Star, July 22, 2019

- Fortune Shoes Ltd. has signed an agreement with New York-based Steve Madden for export of shoes worth US\$ 4.0 mn (Tk 340 mn) which is scheduled to be shipped by October 2019. The agreement was signed on Friday, said an official disclosure on Sunday without elaborating.
- Steven Madden is a publicly traded company based in Long Island City, New York. The company designs and markets shoes and fashion accessories for women, men and children. This is the first time Steve Madden has signed such an agreement with a Bangladeshi company, according to the disclosure.
- On Sunday, shares of Fortune Shoes were traded between Tk 39.30 and Tk 41.40, before closing at Tk 39.70 on the Dhaka Stock Exchange (DSE), losing 0.50 % despite the news. The company's shares were traded between Tk 27.90 and Tk 41.40 in the last one year.
- The company also topped the day's turnover chart on the DSE, with 4.96 mn shares of Fortune Shoes being traded, generating a turnover of Tk 200 mn. The company's earnings per share (EPS) stood at Tk 0.54 for January-March 2019 as against Tk 0.40 for January-March 2018.
- For the nine-month period from July 2018 to March 2019, the company's EPS was Tk 1.67 as against Tk 1.19 for the same period of the previous fiscal. The company's paid-up capital is Tk 1.25 bn, authorised capital is Tk 1.50 bn and the total number of securities is 124.93 mn.

<http://thefinancialexpress.com.bd/stock/bangladesh/fortune-signs-export-deal-with-steve-madden-1563769959>

## DSE board likely to make decision on Coppertech's listing today

New Age, July 22, 2019

- The Dhaka Stock Exchange board is likely to make a decision on Coppertech Industries' listing today as the bourse's management failed to do so due to a number of reasons including the expiry of listing time for the company.
- The DSE on Sunday called an emergency board meeting for today to resolve the issue of Coppertech listing. The DSE board on July 14 asked the bourse's management to make a decision on Coppertech's listing in line with the rules and regulations.

- The management after assessing rules and regulations and finding various inconsistencies in Coppertech's financial accounts could not make a decision about the company's listing with the DSE. According to the securities rules, listing of a company must be completed within 75 days of its initial public offering subscription
- The management found that the listing would breach the DSE listing regulations. Earlier, the DSE chief regulatory officer sent a letter to BSEC mentioning a number of anomalies in Coppertech's financial statements and asked necessary directive from the commission. The regulator is yet to respond to the letter.

<http://www.newagebd.net/article/79254/dse-board-likely-to-make-decision-on-coppertechs-listing-today>

## **Posts of MDs at DSE, CSE remain vacant**

The Financial Express, July 22, 2019

- The posts of managing directors (MDs) at both the stock exchanges of the country have remained vacant due to delay in completing the appointment process. Presently, two senior officials are working as acting managing directors at both the Dhaka and Chittagong Stock Exchanges.
- The three-year tenure of the immediate past managing director of Dhaka Stock Exchange (DSE) KAM Majedur Rahman expired on July 11 last. Before completion of his tenure, the DSE management approved the reappointment of Mr Majedur for another three-year term.
- In May, the premier bourse also sought the consent of the securities regulator for the reappointment of Mr Majedur. The Bangladesh Securities and Exchange Commission (BSEC), however, has yet to give consent to the reappointment of the DSE's managing director.

<http://thefinancialexpress.com.bd/stock/bangladesh/posts-of-mds-at-dse-cse-remain-vacant-1563770049>

## **Economy**

### **Lower lending rate to single digits**

The Daily Star, July 22, 2019

- The central bank has once again instructed banks to lower their lending rate to single digits as per instruction of the government and as committed by the sponsors of the lenders.
- Banks should follow the directive on maintaining a 9 % lending rate and 6 % deposit rate in line with the promises made by the Bangladesh Association of Banks (BAB), a platform of the sponsors of private banks, last year, the central bank said at a meeting yesterday.
- In 2017, banks cut down the interest rate on lending to single digits, helping the government keep up the growth momentum of the economy. Currently, lending rates range between 12 % and 15 % and deposit rates hover around 10 %.

<https://www.thedailystar.net/business/banking/news/lower-lending-rate-single-digits-1775068>

## Mostafa Group eyes a comeback

*The conglomerate wants to pay off Tk 1,500cr loans*

The Daily Star, July 22, 2019

- Debt-ridden Mostafa Group wants to pay back Tk 1,500 crore loans with around three dozen lenders taking advantage of the central bank's rescheduling facility, as it looks to make a comeback.
- Soon after the arrest of Group Chairman Hefazatur Rahman on June 20 this year, the Chittagong-based company has started talking to 35 lenders and showed interest to pay off the loans. He was released on bail a week later. Officials of the banks said the group has contacted with them expressing interest to repay loans.
- The group is pinning hope on the central bank's loan rescheduling facility for loan defaulters. The facility allows borrowers to regularise the bad loans by paying 2 % of the total loans as down payment.

<https://www.thedailystar.net/business/news/mostafa-group-eyes-comeback-1775062>

## Automated certification system for EU GSP launched

New Age, July 22, 2019

- Export Promotion Bureau on Sunday introduced Registered Exporter System for the country's exporters who make their shipment to the European Union.
- The REX is an automated EU certification system under which Bangladeshi exporters would make self-declaration of the country of origin to avail the Generalised System of Preference in the market. Currently, EPB manually issues country of origin certificate to the exporters for the GSP facility in the EU market.
- Commerce minister Tipu Munshi inaugurated the REX system on in a ceremony at the bureau in the city through handing over unique registration numbers to 10 exporters.
- The 10 export companies which received REX numbers for making self-declaration of the country of origin are: Zaber and Zubair Fabrics Ltd, Rifat Garment Ltd, Square Fashions Ltd, Noman Teri Towel Mills Ltd, Sea Mark BD Ltd, Akij Jute Mills Ltd, Pran Agro Ltd, Karupannya Rangpur Ltd, Uniglory Cycle Industries Ltd and Universal Jeans Ltd.
- According to the EPB vice chairman, introducing REX system was very much important for Bangladesh as more than 65 % of the country's total exports go to EU.

<http://www.newagebd.net/article/79253/automated-certification-system-for-eu-gsp-launched>

## International

### Rate circus coming to Europe this week

New Age, July 22, 2019

- The global march towards lower interest rates reaches Europe this week with the European Central Bank expected at least to signal easier monetary policy, while Turkey's new banking chief is seen taking an axe to the country's rates.

- Slowing global growth, increased protectionism and in some cases weak domestic data have persuaded major central banks to loosen monetary policy, with a rate cut more or less inked in for the US Federal Reserve at the end of the month.
- The ECB, whose Governing Council meets on Wednesday and Thursday, said last month that euro zone interest rates would remain at present levels at least through the first half of 2020 - an extension from previous period of until the end of 2019.
- Two-thirds of economists polled by Reuters expect the ECB next week simply to change its guidance, such as for rates to be at 'present or lower levels' ahead, with a cut of the deposit rate to an all-time low of -0.50 % at its September meeting.
- Unemployment in the euro zone is, at 7.5 %, at its lowest level since July 2008, while industrial production and exports improved in May, albeit after declines in April.

<http://www.newagebd.net/article/79257/rate-circus-coming-to-europe-this-week>

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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).

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