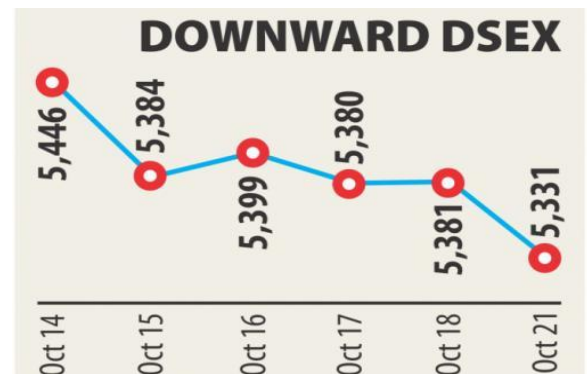


Stock Market

Stocks feeling the election nerves

The Daily Star, October 22, 2018

- Stock market investors are feeling jittery ahead of the national election scheduled for December, a worrying development. Even last month's disclosure of record GDP growth in fiscal 2017-18, higher government spending, the entry of a Chinese consortium into the Dhaka Stock Exchange and the easing up of liquidity crisis have all failed to jumpstart the market, which has been sluggish since the turn of the year.
- The DSEX, the key index of the DSE, tumbled over 50 points yesterday to close at 5,331. Turnover stood at BDT 439 crore, down 7.7% from the previous day and about 50% from a month ago. Investors lost nearly BDT 3,500 crore yesterday and BDT 6,545 crore in the last five days.
- The central bank two weeks ago cleared the way for ICB to issue the bond by informing banks that their investment in it will not be counted as their market exposure. Meanwhile, IDLC Securities said yesterday's fall was driven by a decline in energy, food, engineering and textiles stocks. KPCL, which declined 7.2% in value, was the most traded stock with its transaction of BDT 26.6 crore. Losers beat gainers clearly as 259 stocks declined, 49 advanced and 35 finished unchanged on the DSE.
- Three companies recommended dividends on the day: state-owned power entity DESCO announced 10% cash dividend, MI Cement 15% cash dividend, and Rahim Textile Mills 20% cash and 10% stock dividend for the year that ended on June 30, 2018.



<https://www.thedailystar.net/business/news/stocks-feeling-the-election-nerves-1650130>

EPS of five companies up

The Financial Express, October 21, 2018

- Some eight listed companies have disclosed their un-audited financial statements in last week for July-September (Q3), 2018. The earnings per share (EPS) of five companies marginally rose for July-September, 2018 compared to same period of the previous year.
- The City Bank has reported its consolidated EPS BDT. 0.89 for July-September 2018 as against BDT. 0.82 for July-September 2017. The consolidated EPS was BDT. 2.32 for January-September, 2018 as against BDT. 2.79 for January-September, 2017. The company's consolidated NAV per share was BDT. 24.89 as on September 30, 2018 and BDT. 27.04 as on December 31, 2017.
- The EPS of British American Tobacco Bangladesh Company (BATBC) was BDT. 34.10 for July-September 2018 as against BDT. 33.08 for July-September 2017. Its EPS was BDT. 131.18 for January-September 2018 as against BDT. 101.10 for January-September 2017. NAV per share was BDT. 456.38 as on September 30, 2018 and BDT. 355.82 as on September 30, 2017. Trust Bank has reported its consolidated EPS of BDT. 0.71 for July-September 2018 as against BDT. 1.04 for July-September 2017.
- The consolidated EPS Bank Asia was BDT. 0.72 for July-September 2018 as against BDT. 0.59 for July-September, 2017. Its consolidated EPS was BDT. 1.81 for January-September 2018 as against BDT. 1.28 for January-September

2017. The consolidated NAV per share was BDT. 20.69 as on September 30, 2018 and BDT. 18.23 as on September 30, 2017. Heidelberg Cement Bangladesh has reported its consolidated EPS of BDT. 2.14 for July-September 2018 as against BDT. 1.72 for July-September 2017. The consolidated EPS was BDT. 11.69 for January-September 2018 as against BDT. 14.43 for January-September 2017.

- IDLC Finance has reported its consolidated EPS was BDT. 1.88 for July-September 2018 as against BDT. 1.73 for July-September 2017. The consolidated EPS was BDT. 4.83 for January-September 2018 as against BDT. 4.90 for January-September 2017. The consolidated NAV per share was BDT. 35.24 as on September 30, 2018 and BDT. 33.41 as on December 31, 2017.
- Central Insurance Company has reported its EPS of BDT. 0.50 for July-September 2018 as against BDT. 0.53 for July-September 2017. The EPS was BDT. 1.71 for January-September 2018 as against BDT. 1.60 for January-September 2017. The EPS of Agrani Insurance Company was BDT. 0.39 for July-September 2018 as against BDT. 0.63 for July-September 2017. The EPS was BDT. 1.12 for January-September 2018 as against BDT. 1.33 for January-September 2017. The NAV per share was BDT. 17.52 as on September 30, 2018 and BDT. 17.72 as on December 31, 2017.

<http://thefinancialexpress.com.bd/stock/eps-of-five-companies-up-1540097145>

Reduced IPO quota for general investors

Number of BO accounts remains unchanged

The Financial Express, October 21, 2018

- The number of BO (Beneficiary Owner's) accounts remained almost static in last ten months due to reduced IPO (initial public offering) quota for general investors, stock brokers said. They said most BO accounts opened by many general investors are mostly used to apply for IPO shares.
- According to information of Central Depository Bangladesh Limited (CDBL), the number of active BO accounts stood at above 2.71 mn on October 18, 2018. The number of active BO accounts was above 2.72 mn on December 31, 2017. As a result, the number of accounts declined 0.73% or 0.02 mn during January, 2018 to October 18, 2018. The number of accounts was above 2.78 mn as of May 29, 2018.
- Later, the active accounts declined marginally and finally stood at above 2.71 mn as of October 18 last. Under the revised fixed price method, general investors are eligible to apply for 50% of the shares of a company going public. Previously, the general investors were able to apply for 80% of the shares. Under the book building method, eligible investors are allowed to purchase 60% of a company going public.
- A BO account holder has to deposit BDT 450 per year as the maintenance fee. Of BDT 450, BDT 200 goes to the public exchequer, BDT 100 to the depository participants, BDT 50 to the securities regulator and the remaining BDT 100 to the CDBL.

<http://thefinancialexpress.com.bd/stock/number-of-bo-accounts-remains-unchanged-1540095555>

FUNDS FROM DSE STAKE SALE

NBR devises ways for tax waiver on capital gains

The Daily Star, October 21, 2018

- Stock brokers of the Dhaka Stock Exchange will have to invest the money they will get from the share sell-off to the Chinese consortium through a separate beneficiary account (BO) to get discount on capital gains tax, said finance ministry officials. The National Board of Revenue will issue a notification soon making it mandatory for the money to be invested in securities for three years.

- The NBR has prepared the package following appeals from stock brokers for waiver on capital gains tax on the proceeds from sell-off of 25% stakes, or 45.09 crore shares, of the Dhaka bourse to the Chinese consortium of Shenzhen Stock Exchange and Shanghai Stock Exchange.
- The DSE gets BDT 962 crore from the Chinese consortium. Of the amount, BDT 15 crore has been deducted as stamp duty, meaning that brokers will get BDT 947 crore. The DSEX, benchmark index of the premier bourse, declined 936.76 points, or 14.83%, in the last 10 months. During the period, the DSE shed BDT 40,412.93 crore in value. If stock brokers want to get the tax waiver they have to invest the money throughout the next three years.
- If anyone wants to liquidate his/her investment within three years, he will have to pay the remaining 10%age points tax. Officials of the Bangladesh Securities and Exchange Commission (BSEC) said the government is very keen to keep the market vibrant.

<https://www.thedailystar.net/business/news/nbr-devises-ways-tax-waiver-capital-gains-1649779>

10 exporters face Turkish duty on synthetic yarn export

New Age, October 22, 2018

- Ten local exporters may face anti-circumvention duty on export of synthetic yarn to Turkey as the companies did not respond to an investigation initiated by the country in this connection. Turkish ministry of trade has recently issued the final notification report on circumvention investigation into alleged export of China-made synthetic yarn from Bangladesh and Nepal.
- According to the report, 10 companies which are resident in Bangladesh or associated with the investigation did not respond to the investigation questionnaire in a duly and timely manner. Only Well Mart Ltd provided necessary information and documents, and made cooperation, the report said.
- Turkey a few years back imposed anti-dumping duty on synthetic yarns and artificial staple fibre originated from China and some other countries. In December 2017, the country initiated the anti-circumvention investigation against some traders of Bangladesh and Nepal who exported allegedly Chinese synthetic yarn and fibre using Bangladesh and Nepal as country of origin to avoid anti-dumping duty on the Chinese product imposed by Turkey.
- In the investigation into the allegation, Turkey found that export of the product from Bangladesh increased to 3,510 tonnes in 2017 from 1,150 tonnes in 2015. The investigation team in an on-the-spot verification in July 9-10 this year found the information provided by the Well Mart Ltd authentic and did not perform any act to invalidate the measure.

<http://www.newagebd.net/article/53807/10-exporters-face-turkish-duty-on-synthetic-yarn-export>

Economy

Robi gains, GP loses

The Daily Star, October 22, 2018

- Robi has pulled in 16,916 customers to its network from three rivals in the first three weeks after the mobile number portability was rolled out, according to a report of the telecom regulator. Bangladesh Telecommunication Regulatory Commission (BTRC) yesterday published a report that showed 11,676 Grameenphone customers left the market leader retaining their existing 11-digit number. On the other hand, it drew 4,041 new customers from its competitors.
- Robi, the second largest operator, lost 5,973 customers since the MNP was introduced on October 1 “commercially but on a trial” basis. Bangladesh is the 72nd country in the world that makes the service available. The MNP allows a

subscriber to change telecom carrier keeping the same phone number. According to the BTRC, 47,090 users tried to switch their network providers, but only 26,817 of them were successful.

- Some 8,642 users tried to leave Grameenphone but failed because of a number of reasons. In case of Robi, 2,693 subscribers attempted in vain to leave. For Banglalink, 8,916 users left its network and 5,526 joined from other networks, showed the regulator's report. State-owned Teletalk found 252 customers from other networks joining its network while 334 users switched to rival operators.
- Customers are charged BDT 50 alongside a 15% value-added tax for changing networks within 72 hours. To do so within 24 hours, another BDT 100 has to be paid. In both cases, users require a visit to the new operator's customer care centre. Customers have to wait at least 90 days to make another switch. Infozillion BD Teletalk, a joint venture between a Bangladeshi firm and a Slovenian firm, is providing the service.

<https://www.thedailystar.net/business/telecom/news/robi-gains-gp-loses-1650118>

Nagad to make MFS sector lopsided

Higher transaction limits may fuel suspicious transactions

The Daily Star, October 22, 2018

- The disproportionately higher transaction limits of Bangladesh Post Office's digital financial service platform Nagad have raised the eyebrows of private sector players, who voiced concerns of uneven competition and possibilities of money laundering and terrorist financing.
- Through Nagad, a customer will be able to make 10 transactions a day amounting to BDT 250,000 and send BDT 50,000 in one transaction and the numbers will remain the same in case of money withdrawal also. In contrast, by way of two transactions the cash-in limit is BDT 15,000 and for withdrawal it is BDT 10,000 a day for the existing mobile financial service providers -- bKash, Rocket and UCash.
- Through Nagad, a person can send BDT 250,000 a day while it stands at BDT 10,000 for the existing MFS providers. And the reason Nagad is getting away with the higher transaction limit is that it does not fall under the purview of the central bank thanks to the postal act, which has empowered the postal department to independently provide financial services. As of August, there are 6.47 crore active MFS accounts in the country, which have transacted BDT 34,399 crore during the month, according to data from the BB.

NAGAD VERSUS OTHER MFS OPERATORS				
NAGAD		TRANSACTION PATTERN	OTHER OPERATORS	
Daily limit	Monthly limit		Daily limit	Monthly limit
Tk 250,000	Tk 500,000	Cash in	Tk 15,000	Tk 100,000
Tk 250,000	Tk 500,000	Cash out	Tk 10,000	Tk 50,000
Tk 250,000	Tk 500,000	Send money	Tk 10,000	Tk 25,000

<https://www.thedailystar.net/business/news/nagad-make-mfs-sector-lopsided-1650133>

International

Germany urges global minimum tax for digital giants

New Age, October 22, 2018

- German finance minister Olaf Scholz said in an interview for publication Sunday he backed a global minimum fiscal regime for multinationals as Europe looks to levy tax notably on US tech giants. Europe is trying to devise a strategy to tax profits from the likes of Google, Amazon, Facebook, Apple and digital platforms such as YouTube and Airbnb

which currently manage to keep fiscal exposure to a bare minimum. France for a year has rallied EU partners to draw up the tax which Paris says is necessary to ensure tech giants pay their way.

- The European Commission, the EU's executive arm, has proposed a European tax on 'big tech' with substantial digital revenue in Europe, based on overall revenue in Europe and not just profits. But lead opponent Ireland says a growing number of countries are grumbling about hidden problems with the tax, including that it could inadvertently snag European companies.
- There is also concern as to what consequences might flow from such a plan at a time against the backdrop of a potential full-blown EU-US trade war. Berlin worries that cranking up the ante on trade with the United States by launching what Washington could see as an attack on Silicon Valley's corporate giants may threaten German auto exports. Germany has already shown some opposition to a French plan to tax tech giants three% of certain forms of revenue including advertising and sale of personal data.

<http://www.newagebd.net/article/53812/germany-urges-global-minimum-tax-for-digital-giants>

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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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