

Stock Market

Dhaka stocks gain as financial shares attract investors

New Age, November 21, 2018

- Dhaka stocks advanced on Tuesday as investors went on buying shares, especially the financial scrips, after their price fall in recent days. DSEX, the key index of Dhaka Stock Exchange, advanced by 0.79 %, or 41.72 points, to close at 5,298.83 points on Tuesday.
- The DSEX gained 54 points in last three sessions. The financial sectors led the surge amid increase in share prices of bank and non-bank financial institution sector. The bank sector advanced by 1.75 % and the NBFIs by 0.65 % on Tuesday.
- Out of the 30 traded bank scrips, 24 advanced, two declined and four remained unchanged while out of the 23 traded NBFIs, 17 advanced, three declined and three remained unchanged. Average share prices of pharmaceuticals, miscellaneous and telecommunication gained 1.10 %, 0.75 % and 0.84 % respectively.
- Average share prices of energy and telecommunications dropped by 1.44 % and 0.54 % respectively. The turnover on DSE dropped to BDT 717.15 crore on Tuesday compared with that of BDT 803.05 crore in the previous trading session.
- Of the 336 companies and mutual funds traded on Tuesday, 124 declined, 159 advanced and 40 remained unchanged. DSE blue-chip index DS30 gained 0.85 %, or 15.77 points, to close at 1,868.86 points. Shariah index DSES added 0.54 %, or 6.66 points, to finish at 1,221.17 points. Khulna Power Company led the turnover chart with its shares worth BDT 52.71 crore changing hands.
- BRAC Bank, United Power Generation Company, Shepherd Industries, SK Trims, Square Pharmaceuticals, Fortune Industries, Pharma Aid, Grameenphone and Silva Pharmaceuticals were the other turnover leaders. Desh Garments gained the most on the day with a 9.95-% increase in its share prices, while Golden Harvest Agro Industries was the worst loser, shedding 10.71 %.

<http://www.newagebd.net/article/56685/dhaka-stocks-gain-as-financial-shares-attract-investors>

Pvt Banks brought under RTI Act

New Age, November 21, 2018

- Private commercial banks have come under the Right to Information Act-2009 as the government declared the banks as authorities under the law. Information ministry on October 2 issued a gazette notification declaring private banks as authorities. Bangladesh Bank on Tuesday issued a circular asking managing directors and chief executive officers of all private banks to take necessary measures as per the gazette notification.
- According to the act, banks will have to appoint a designated officer at every unit within 60 days for providing information following application of people. Banks will also have to preserve information and publish in an appropriate manner.
- As per law, information including any memo, book, design, map, contract, data, log book, order, notification, document, sample, letter, report, accounts, project proposal, photograph, audio, video, drawing, painting, film, any instrument done through electronic process, machine readable record, and any other documentary materials regardless of its physical form or characteristics, and any copy thereof in relation to the constitution, structure and official activities of any authority.

- Publication of certain types of information related to inherent secrets of commercial or business nature, any advance information about the management and supervision of the banks, any advance information about changes related to exchange rate and interest rate, however, is not mandatory.

<http://www.newagebd.net/article/56686/pvt-banks-brought-under-rti-act>

INVESTMENT IN MUTUAL FUNDS

Regulator relaxes rules of provision for merchant banks

The Daily Star, November 21, 2018

- The stockmarket regulator yesterday relaxed the rules of provision for merchant banks' investment in mutual funds. Now, the merchant banks can keep the provision on the basis of the net asset value of the funds like other financial institutions.
- The provision would be equivalent to the difference between the purchasing price of a mutual fund and 85 % of the fund's net asset value. The net asset value will be calculated on the basis of the current market price, the Bangladesh Securities and Exchange Commission said in a statement.
- The capital market watchdog also approved a new set of rules for companies with small capital yesterday, for which a gazette will be published soon. The commission also plans to issue a letter to rebuke the AM Securities and Financial Services for its failure to submit yearly financial statements on time.
- In the letter, the BSEC will also warn the stock broker that stern actions will be taken if it does the same in future. The commission has taken the decision when the benchmark index of the DSE—DSEX—rose 41.72 points or 0.79 % to close the day at 5,298.83.
- The Dhaka stocks have been rising for the last three consecutive days, although the turnover declined by 10.7 % to BDT 717.15 crore yesterday. Khulna Power was the top traded stock with 67.39 lakh shares worth BDT 52.71 crore changing hands followed by Brac Bank, United Power, Shepherd Industries and SK Trims.

<https://www.thedailystar.net/business/news/regulator-relaxes-rules-provision-merchant-banks-1663516>

Little change in auditor's assessment of GP dues

New Age, November 21, 2018

- Government-appointed auditor Toha Khan Zaman & Co has lowered the government's claim on leading mobile phone operator Grameenphone by only BDT 5.16 crore, leaving the previous audit claim almost unchanged at BDT 11,524.98 crore. The audit firm came up with the figure following GP's explanation over the audit findings to Bangladesh Telecommunication Regulatory Commission.
- GP, following a BTRC letter of August 26 this year on the audit finding, submitted its explanation on September 18. As per the initial audit report of Toha Khan Zaman, GP's combined dues to BTRC and National Board of Revenue was BDT 11,530.15 crore.
- In the latest report, BTRC's claim on GP declined to BDT 7,439.05 crore from the previous claim of BDT 7,444.29 crore. The NBR's claim on GP remained unchanged at BDT 4,085.94 crore, BTRC officials said. BTRC's finance department placed a proposal before the commission meeting held last week to claim BDT 7,439.05 crore from GP as per the auditor's revised report.
- Besides, the proposal also sought approval of the commission to inform NBR about the audit findings that GP's outstanding dues to NBR were BDT 4,085.94 crore for the period of 1996-2017. Instead of issuing the final demand

letter, the commission asked senior officials of its three departments — finance, legal and licensing, and spectrum management — to scrutinise the auditor's findings and GP's explanation to settle the commission's final demand.

- The telecom regulator also instructed its finance department to take measures for realising the claim from GP after settling the final demand. GP officials denied giving any comment on the issue.

<http://www.newagebd.net/article/56682/little-change-in-auditors-assessment-of-gp-dues>

Economy

No more floating LNG terminals

The Daily Star, November 21, 2018

- Bangladesh will scrap plans to build additional floating liquefied natural gas (LNG) import terminals in favour of land-based stations, a government official said. Adverse weather is making it difficult to operate the country's sole floating storage and regasification unit (FSRU) and, hence, Bangladesh does not plan to build any further FSRU projects, said Mohammad Quamruzzaman, managing director of the Rupantarita Prakritik Gas Co.
- Bangladesh began importing LNG from Qatar on a regular basis in September through the country's first FSRU operated by privately owned US company Excelerate. The FSRU arrived in April for commissioning at the port of Moheshkhali near the city of Cox's Bazar but its start-up was delayed by several months due to technical problems and bad weather.
- A second FSRU project, operated by Summit Corp with Japan's Mitsubishi Corp as a partner, is expected to start operations in March next year, doubling the country's import capacity to 7.5 mn tonnes a year. Developing countries that have sought LNG supplies have adopted FSRU terminals since they are typically about half the cost of land-based terminals, twice as quick to deliver and can be moved to other destinations when they are no longer needed.

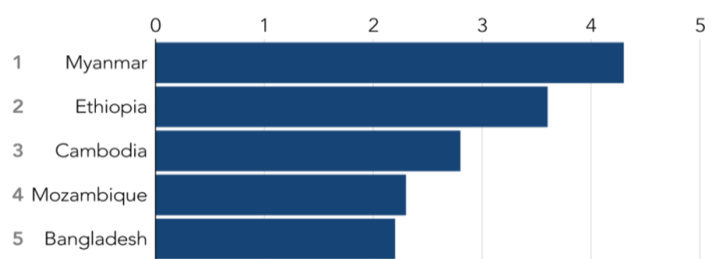
<https://www.thedailystar.net/business/news/no-more-floating-lng-terminals-1663504>

Myanmar tops LDCs' FDI league, Bangladesh fifth

The Financial Express, November 21, 2018

- Myanmar attracted the most foreign direct investment of any of the world's so-called "least developed countries" in 2017, even as the nation's reputation plummeted over its forced expulsion of tens of thousands of Rohingya Muslims, according to a report published on <https://asia.nikkei.com/>.
- The \$4.3 bn worth of realized FDI that went into the resource-rich Southeast Asian country put it on top of the global economy's bottom division

Top 5 FDI destinations of world's poorest nations
(in billions of dollars)



Source: UNCTAD

of 47 nations, according to a report by the United Nations Conference on Trade and Development. Myanmar edged out second-place Ethiopia, with Asian neighbors Cambodia and Bangladesh taking third and fifth spots. Even so the nations remain far behind Association of Southeast Asian Nations peers such as Indonesia and Vietnam.

- World Bank data show Cambodia's FDI of just under \$2.8bn was double the total from just 7 years before, while Bangladesh's \$2.15bn marked a drop of almost \$700m from a year earlier -- partly due its sluggishness to diversify beyond the country's crucial garment sector.
- The current method for classifying LDCs means that average incomes in such countries are usually below \$1,230 a year, making low-wage sectors such as garments and footwear key investment areas and exports for these countries in Asia. While 31 of the 47 nations are in Africa, the list also includes Afghanistan, Bhutan, East Timor, Laos, Nepal and Yemen.
- China and Hong Kong together have accounted for 36% of total investment into Myanmar since 1988, according to official Myanmar statistics.
- And if China and the U.S. engage in an infrastructure investment bidding war in Asia, that too could see increased FDI into less developed Asian countries. The report noted that three nations -- Bangladesh, Laos and Myanmar -- are poised to "graduate" from LDC status in the coming years. Cambodia, with a GDP per capita of over \$1,300, also looks set to transcend the lowly designation.

<http://thefinancialexpress.com.bd/economy/myanmar-tops-ldcs-fdi-league-bangladesh-fifth-1542786715>

Deposits with agent banking increase by 28pc

The Financial Express, November 21, 2018

- Deposit collection through the agent banking increased by 28 % or BDT 5.4672 bn in July to September quarter compared to the previous quarter of April to June in 2018. According to the quarterly data of July to September, 2018 of Bangladesh Bank (BB), deposit collection through the agent banking was Taka 25.7749 bn, which was BDT 20.1277 bn in the April-June period.
- In the July to September quarter, the number of agent banking accounts across the country also increased by 14.15 % or 251000 compared to the previous quarter. The number of accounts with agents increased to 20,28,864 from 17,77,400 in the July-September period of 2018, reports BSS.
- In the July-September period, the number of agents increased to 3,902 from 3,588 in the April to June quarter and the number of bank agent outlets also increased to 5,791 from 5,351 in the same quarter. During the July-September period, official data show, Bangladeshi expatriates sent BDT 44.6394 crore through the agent banking channel, which was BDT 35.1422 in the April to June quarter.
- Islami Bank Bangladesh Limited (IBBL) Deputy Managing Director Abu Reza Mohd Yeahia said agent banking is moving fast across the country since the banks are providing all sorts of efforts to bring the grassroots people under the banking services. The central bank launched agent banking in 2013 by giving license to Bank Asia. A total of 20 commercial banks have already taken licenses from Bangladesh Bank while 18 banks are running their activities across the country.
- The commercial 18 banks, which are currently running agent banking activities, are Dutch Bangla Bank, Bank Asia, Al-Arafah Islami Bank, Social Islami Bank, Modhumoti Bank, Mutual Trust Bank, NRB Commercial Bank, Standard Bank, Agrani Bank, First Security Islami Bank, Mid Land Bank, The City Bank, Islami Bank Bangladesh Limited, The Premier Bank, United Commercial Bank Limited, AB Bank, NRB Bank and Brac Bank.

<http://thefinancialexpress.com.bd/economy/deposits-with-agent-banking-increase-by-28pc-1542715662>

International

RBI move boosts banks' lending ability by up to \$42b: sources

New Age, November 21, 2018

- The Reserve Bank of India (RBI) estimates that Indian banks will have capacity to lend an extra 2.5 trillion rupees to 3.0 trillion rupees (\$35 bn to \$42 bn) over the next year after it decided to relax a deadline for lenders to boost capital ratios, two sources aware of discussions on the matter said on Tuesday.
- Under pressure from Prime Minister Narendra Modi's government to spur lending ahead of elections, the RBI agreed at its board meeting on Monday to extend a deadline for lenders to further lift capital conservation buffers by a year to March 31. The relaxation will also reduce banks' capital requirements by about 300 bn to 350 bn rupees of capital, the two sources said, adding that the numbers were shared by the RBI at the board meeting.
- During Monday's nine-hour meeting, the board advised the central bank to act to support small businesses and give banks more time to step up capital norms. The government had been lobbying furiously for such moves for weeks.
- The RBI's board meeting, usually a staid affair, came sharply into focus after top government officials pressed the RBI to ease lending and capital rules for banks, provide more liquidity to the shadow banking sector, support lending to small businesses and let the government use more of the RBI's surplus reserves to boost the economy.
- Three topics were discussed at the meeting - lending to small businesses, capital buffers for banks and the RBI's reserve adequacy. Presentations were made by RBI as well as finance ministry officials. The Modi government wants to boost growth as it is concerned that low crop prices and difficulties faced by small businesses may dent its prospects in numerous state polls over coming weeks, and a nationwide election due by May next year.
- Seeking help to bolster the economy, government officials and one independent RBI director had called for strong actions by the central bank.

<http://www.newagebd.net/article/56693/rbi-move-boosts-banks-lending-ability-by-up-to-42b-sources>

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