

Stock Market

Stocks post weekly gain riding on bank shares

New Age, April 22, 2018

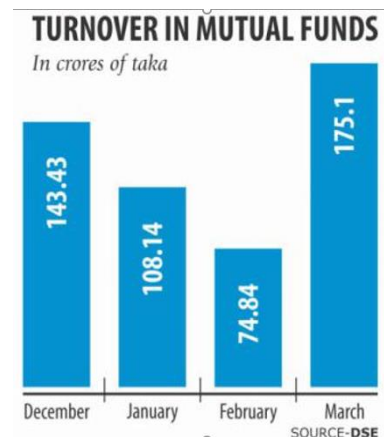
- Dhaka stocks gained marginally in the past week, despite fall in prices of around two-third of the scrips, as investors turned their focus to large capitalised scrips, including banks and multinational companies.
- DSEX, the key index of Dhaka Stock Exchange, advanced by 0.52 % or 30.33 points over the week to finish at 5,843.47 points on Thursday, the last trading session of the week, after losing 28.05 points in the previous week.
- Of the 341 companies and mutual funds traded, 129 advanced, 184 declined and 28 remained unchanged over the week.
- Out of 30 traded bank scrips, 23 advanced and 7 declined while out of 12 traded multinational companies 10 advanced and two declined over the week.
- Bank shares drew attention of the investors because of the previous week's fall and upcoming announcement of dividends of many of the banks for 2017, they said.
- Investors were also expecting better quarterly earning declarations by MNCs like Grameenphone and Lafargeholcim.

<http://www.newagebd.net/article/39585/stocks-post-weekly-gain-riding-on-bank-shares>

Mutual funds pique investors in March

The Daily Star, April 23, 2018

- The closed-end mutual fund units saw their turnover double last month upon expectation of better dividends for the year ending on June.
- Closed-end mutual funds are investment funds that gather a fixed pool of money for 10 years from a number of investors and re-invest them into stocks, bonds and other assets.
- In March, closed-end mutual funds' turnover stood at BDT 164.25 crore in contrast to BDT 74.84 crore a month earlier, according to data from the Dhaka Stock Exchange.
- Grameen One: Scheme Two and ICB AMCL 2nd NRB Mutual Fund will be liquidated in 2018 and five other funds in 2019. In 2020, 11 funds will be liquidated.
- The unit price of the funds is lower than their net asset value (NAV), and the unit holders will get returns as per the NAV after conversion or redemption.
- All mutual funds listed on the DSE are trading on huge discount except Prime Finance First Mutual Fund, according to an analysis of Brac EPL.
- The performance of mutual funds was admirable last year and investors are expecting better dividend this year as the broad index of the DSE was mostly dynamic this time.



<https://www.thedailystar.net/business/mutual-funds-pique-investors-march-1566331>

Economy

Public entities' DSLs keep on swelling, cross BDT 1.0t mark

The Financial Express April 23, 2018

- Bangladesh Bank has instructed all the banks to comply with a finance ministry notification on pulling deposit from government, semi-government and autonomous entities by the private banks and non-bank financial institutions.
- Debt service liabilities (DSLs) of state-owned entities, autonomous and semi-autonomous bodies soared to BDT 1.02 trillion at the end of the last fiscal year (FY) 2016-17, according to official statistics.
- The aggregate amount of principal and interest overdue stood at over BDT 869.91 Bn at the end of FY 2015-2016, the official data available with the ministry of finance showed.
- Total outstanding amount, including both overdue and current amount, stood at BDT 2.13 trillion as of June 30, 2017. The figure was BDT 2.03 trillion at the end of June, 2016.
- The debt-burden of these organisations includes the funds that the government borrowed for them from foreign development partners against projects and the local currency loans.
- The total outstanding DSL of Bangladesh Power Development Board (BPDB) alone stood at BDT 950.91 Bn as of the FY 2016-17.
- The Rural Electrification Board (REB) held a total outstanding amount of BDT 86.12 Bn during the same period.

<https://thefinancialexpress.com.bd/economy/bangladesh/public-entities-dsls-keep-on-swelling-cross-BDT-10t-mark-1524455638>

Reliance on fossil fuels makes Bangladesh an outlier

Dhaka Tribune, April 22 2018

- Cabinet Committee on Public Purchase has approved some 10 proposals including import of liquefied natural gas (LNG) from Oman on government-to-government basis deal.
- Renewable energy, once regarded as prohibitively expensive, has become an ever-cheaper source of power over the last decade.
- Even as solar, wind and other renewable energy costs are reaching a historical low, the Bangladesh government's reliance on increasingly expensive coal and nuclear projects has raised questions about the direction of Bangladesh's power-sector policies.
- A recent report from the International Renewable Energy Agency (IRENA) has shown that the per megawatt installation cost and the per unit power generation cost has declined both in case of solar and wind power.
- The cost of installing 1 MW capacity of a solar power plant used to stand at BDT 35 crore in 2010. It has been reduced to BDT 11 Crore by now.
- The installation cost of 1 MW onshore wind turbine has come down to BDT 12 crore from BDT 15 crore since 2010.
- The average per unit power generation cost of solar photovoltaic has also been decreased by a sharp 72% since 2010.

<https://www.dhakatribune.com/business/2018/04/22/reliance-fossil-fuels-makes-bangladesh-outlier/>

Bangladesh still popular for low-cost apparel

The Daily Star, April 23, 2018

- Bangladesh is still a lucrative destination for sourcing low-cost garment items, coming second to only China, according to the Global Sourcing Survey-2018 by the AsiaInspection, which provides inspection services to global brands.
- Outside of China, India and Bangladesh are increasingly given preferences for textile sourcing due to being lower-cost destinations.
- Top officials of more than 250 companies working in all major consumer product segments were interviewed for the survey.
- Of the total respondents, 16 % said Bangladesh is their destination of choice for sourcing textile and garment products.
- China though remains in the lead: it is a regular sourcing destination for nearly 88 % of the respondents and half of the businesses expect to buy even more from there in 2018.
- At the same time, Bangladesh's reputation has also improved due to inspection and remediation of the garment factories by the Accord and Alliance.

<https://www.thedailystar.net/business/bangladesh-still-popular-low-cost-apparel-1566334>

International

Asia stocks struggle with rising yields; oil stays high

Reuters, April 23, 2018

- Resource stocks were on a roll in Asia on Thursday as oil prices hit heights not seen since late 2014, though the potential boost to inflation globally also pressured fixed-income assets.
- Asian stocks dipped on Monday as investors braced for a bevy of earnings from the world's largest corporations, while keeping a wary eye on U.S. bond yields as they approach peaks that have triggered market spasms in the past.
- Traders were also anxiously awaiting surveys on global manufacturing for April to see if economic softness in the first quarter was just a passing phase linked to poor weather and the Lunar New Year holidays.
- The first reading from Japan was tentatively upbeat with its PMI firming to 53.3 in April as output and domestic demand picked up.
- On the geopolitical front, U.S. President Donald Trump said on Sunday the North Korean nuclear crisis was a long way from being resolved, striking a cautious note a day after the North pledged to end its nuclear tests.

<https://www.reuters.com/article/us-global-markets/asia-stocks-struggle-with-rising-yields-oil-stays-high-idUSKBN1HU010>

Hedge-Fund Investors Pour Into Oil as Firms Predict Surge to \$80

Bloomberg, April 22, 2018

- Asian stocks climbed to the highest in a month and measures of volatility continued to decline amid optimism that global growth can weather any impact from trade tensions.
- Hedge funds investing in oil are luring capital at the fastest pace in more than a year.
- With crude climbing to levels not seen since 2014, commodity funds have recovered the client outflows they suffered last year.
- Westbeck Capital Management and Commodities World Capital are correct about prices soon exceeding \$80 a barrel from about \$68 currently, then the jump in allocations may just be the beginning.
- Until Friday everything seemed to point to oil extending its gains, with confidence in the global economy building and geopolitical tensions and production shortages showing no signs of going away.
- Then U.S. President Donald Trump slammed OPEC on Twitter, saying prices are artificially high and will not be accepted. Prices slipped 19 cent a barrel.
- Investors allocated \$3 Bn to commodity-focused hedge funds from January through March, the most since the third quarter of 2016, according to eVestment.
- Last year they pulled \$680 Mn from the strategy in the first net outflows since 2014.

<https://www.bloomberg.com/news/articles/2018-04-22/hedge-fund-investors-pour-into-oil-as-firms-predict-surge-to-80>

Oil steady as U.S. drilling tempers bullish sentiment

Bloomberg, April 23, 2018

- Oil prices were steady on Monday as a rising U.S. rig count pointed to further increases in American output, marking one of the few factors tamping back crude in an otherwise bullish environment.
- Brent crude oil futures were at \$74.07 per barrel at 0354 GMT, virtually unchanged from their last close.
- U.S. West Texas Intermediate (WTI) crude futures were down 3 cents at \$68.37 a barrel.
- U.S. drillers added five oil rigs drilling for new production in the week ended April 20, bringing the total count to 820, highest since March 2015, according to General Electric's Baker Hughes energy services firm.
- The rising rig numbers point to further increases in U.S. crude production, which is already up a quarter since mid-2016 to a record 10.54 Mn barrels per day (bpd).
- Only Russia produces more at almost 11 Mn bpd.

<https://www.reuters.com/article/us-global-oil/oil-steady-as-u-s-drilling-tempers-bullish-sentiment-idUSKBN1HU01V>

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 (BASL)

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
Head of Research & Investments

tushar@basl-bd.com, tusharbd@bloomberg.net

Mr. Shohidul Islam
Research Analyst

shohidul@basl-bd.com, shohidulbd@bloomberg.net

Mr. Md. Monirul Islam
Research Associate

abir@basl-bd.com

Mr. Monir Hossain
Research Associate

monir@basl-bd.com

BASL Branches

Head Office

Hadi Mansion (7th Floor)
2, Dilkusha Commercial Area
Dhaka-1000, Bangladesh
Phone: +88-02-9515826-28
Fax: +88-02-9567884

Modhumita Extension Office

158-160 Modhumita Building
(5th Floor)
Motijheel C/A, Dhaka-1000
Phone: +88-01819118893

Dhanmondi Branch

Meher Plaza (1st Floor),
House # 13/A, Road # 05
Dhanmondi, Dhaka - 1207
Phone: +8802-8624874-5

Mirpur Branch

Nishi Plaza, plot # 01,
Avenue-04, Section-06, Block-
C
Mirpur, Dhaka - 1216
Phone: +88-02-9013841

Uttara Branch

House # 79/A, (4th Floor),
Road # 07, Sector # 04
Uttara Model Town, Dhaka-
1230
Phone: +88-02-8958371

Banani Branch

Nur Empori, Plot # 77 (1st
Floor), Road No # 11, Banani,
Dhaka-1213
Phone: +8801716180767

Khulna Branch

28, Sir Iqbal Road (1st Floor)
Khulna
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.