

Stock Market

No end to stocks plunge as investors lose confidence

New Age, July 23, 2019

- Dhaka stocks kept plummeting on Monday hitting a fresh 31-month low as investors, losing confidence and trust in market regulators, continued with panic-stricken share sales. DSEX, the key index of Dhaka Stock Exchange, plunged by 1.33 %, or 67.30 points, to close at 4,966.44 points on Monday, after a massive fall of 96 points on Sunday.
- Monday's index was the lowest since December 26, 2016 when the index was at 4,993.53 points. DSEX lost 455 points in the last 15 trading sessions that included three positive sessions. The recent plunge saw BDT 26,860 crore wiped off the market capitalisation.
- Share prices of textile, non-bank financial institution, telecommunication and bank dropped by 2.8 %, 1.7 %, 0.9 % and 0.5 % respectively. Turnover on the bourse advanced to BDT 464.18 crore on Monday from BDT 368.64 crore in the previous session on increased share sales.
- Out of the 353 scrips traded on the day, 277 declined, 60 advanced and 16 remained unchanged. DS30, the blue-chip index of DSE, dropped 1.29 %, or 23.26 points, to close at 1,776.14 points. DSE Shariah index DSES shed 1.58 %, or 18.33 points, to close at 1,139.15 points.
- Fortune Shoes led the turnover chart with its shares worth BDT 20.09 crore changing hands. Square Pharmaceuticals, United Power Generation Company, Federal Insurance, Sea Pearl Beach Resort, Sinobangla Industries, Monno Ceramics, National Life Insurance, Grameenphone and British American Tobacco were the other turnover leaders.
- Al-Haj textile gained the most on the day with a 9.95-% increase in its share price while Emerald Oil was the worst loser, shedding 10 %.

<http://www.newagebd.net/article/79376/no-end-to-stocks-plunge-as-investors-lose-confidence>

DSE board decides to list Coppertech ignoring its anomalies

New Age, July 23, 2019

- The Dhaka Stock Exchange has finally decided to list controversial Coppertech Industries despite allegations that the company's financial data were fabricated. According to media reports, the company fabricated its financial data to get listed with the country's bourses.
- On Monday, the DSE at a board meeting decided that it would list the company on condition that the Bangladesh Securities and Exchange Commission would exempt the bourse from regulatory obligation of listing a company within 30 days after its initial public offering subscription.
- The media reported that the company's paid-up capital formation was artificial. The DSE informed the BSEC about numerous anomalies including book cooking and artificial paid-up capital formation by the company and sought directive from the commission. The BSEC, however, did not address the matter.

- Though the BSEC ignored the issue, the Financial Reporting Council felt it necessary to direct the Institute of Chartered Accountants of Bangladesh to investigate the matter. But the ICAB failed to complete the probe as Copperetch's auditor Ahmad and Akhtar declined to cooperate with the ICAB.
- The BSEC became concerned when the DSE was delaying to pay IPO subscription money to the company. The regulator directed the bourse to remit the amount to the company.

<http://www.newagebd.net/article/79332/dse-board-decides-to-list-coppertech-ignoring-its-anomalies>

No approval for GP, Robi to roll out packages

BTRC piles pressure on the operators to realise dues

The Daily Star, July 22, 2019

- The telecom regulator will not give any kind of approval to Grameenphone and Robi to roll out new package or service or import network equipment as it looks to pile pressure on the operators to clear their dues, according to a letter issued yesterday.
- Grameenphone has BDT 12,579.95 crore pending and Robi BDT 867.24 crore as per an audit of the Bangladesh Telecommunication Regulatory Commission (BTRC). But the two operators, which are coincidentally the top two players in the market, have turned a deaf ear to the commission's repeated claims.
- So to crank up the pressure, the BTRC on July 4 slashed Grameenphone's bandwidth by 30 % and Robi's by 15 % for non-payment of the dues -- enough to slow down their internet speed and raise the call drop frequency.
- But the block on bandwidth was lifted on July 17 considering the inconvenience it was causing to subscribers. So now the commission has come up with a new manner to penalise the two operators.
- As per yesterday's letter to the two operators, all the no-objection certificates (NOC) taken from the regulator thus far have become invalid. They cannot open any letters of credit or import any equipment and software against the documents.

<https://www.thedailystar.net/business/telecom/news/no-approval-gp-robi-roll-out-packages-1775563>

Economy

Exporters get a boost

They can now issue certificate of origin to enjoy EU GSP

The Daily Star, July 23, 2019

- Exporters will now be able to issue the certificate of origin to enjoy the generalised system of preferences (GSP) facility in the European Union, instead of relying on the Export Promotion Bureau (EPB) for the document.
- This will allow exporters to enjoy the GSP benefit quickly after sending a shipment. A certificate of origin is an important international trade document that certifies that goods in a particular export shipment are

wholly obtained, produced, manufactured or processed in a particular country. It also serves as a declaration by the exporter.

- The exporters are Zaber & Zubair Fabrics, Rifat Garments Ltd, Square Fashions Ltd, Noman Terry Towel Mills, Sea Park (BD) Ltd of Chattogram, Akij Jute Mills, Pran Agro Ltd, Karupannya Rangpur Ltd, Uniglory Cycle Industries, and Universal Jeans Ltd.
- The transition period from the current system of origin certification to the Rex system started for Bangladesh on January 1 this year and will last until December 31 this year, according to the European Commission website.
- Exporters will have to apply to become registered exporters by filling in an application form and by returning it to the EPB. According to the commerce ministry statement, the new system was introduced in line with the rules of the World Trade Organisation. Local exporters have long been demanding the introduction of the Rex system.

<https://www.thedailystar.net/business/export/news/exporters-get-boost-1775566>

Volume of NPL in SoBs shrinks in Q2

The Financial Express, July 23, 2019

- The volume of non-performing loans (NPLs) in the state-owned banks (SoBs) declined in the second quarter of the calendar year 2019, finance minister AHM Mustafa Kamal said on Monday quoting provisional figures.
- After a meeting with chairmen and managing directors of the SoBs at his secretariat office, the minister expressed satisfaction over the performance of the banks.
- According to the minister, the volume of NPL in Sonali Bank came down to 25.5 % in April-June compared to 29.35 % in March. In Janata Bank, the NPL declined to 35 % in June from 43.97 % in March while in Agrani Bank the NPL went down to 14.5 % in June against 16.65 % in March.
- The NPL in Rupali Bank fell to 17 % in June from 18.15 % in March and in Bangladesh Krishi Bank, the NPL declined to 17 % in June compared to 18.46 % in March.

<http://thefinancialexpress.com.bd/economy/bangladesh/volume-of-npl-in-sobs-shrinks-in-q2-1563853366>

Move to boost expats' investment

The Financial Express, July 23, 2019

- The government has taken a move to boost investment of Bangladeshi expatriates to help bolster the country's economy, officials said.
- Besides, it has planned to gear up campaign for investment in bonds among expats, arrange investment fair abroad, road show and launch dedicated website and blog platform for expats' investors and proper branding of existing bonds.
- Nomination of selling management and situation, branding of bonds and other strategic issues would help strengthen monitoring. Expatriates can invest in three bonds-Wage Earner Development Bond, US Dollar Premium Bond and US Dollar Investment Bond.

- The government has plans to set up more branches/subsidiaries/exchange houses of scheduled banks as early as possible in some countries having potential sources of remittances to help Bangladeshi migrants send their hard-earned foreign currencies smoothly.

<http://thefinancialexpress.com.bd/trade/move-to-boost-expats-investment-1563853974>

International

Chinese cos looking to buy US farm products: state media

New Age, July 23, 2019

- Some Chinese companies are seeking new purchases of US agricultural products, China's official Xinhua news agency said on Sunday, citing authorities, as Beijing and Washington look for ways to end a protracted trade war.
- US president Donald Trump and Chinese president Xi Jinping agreed at last month's G20 summit in Osaka to restart trade talks that stalled in May.
- Chinese businesses have made inquiries with US exporters to buy crops and agricultural products and applied for the lifting of tariffs, Xinhua said, citing Chinese authorities. The world's two largest economies have been embroiled in a tariff battle since July 2018, as the United States presses China to address what it sees as decades of unfair and illegal trading practices.
- China has countered that any trade deal needs to be fair and equitable, leaving the two sides apparently still far from an agreement to end the back-and-forth that has rocked global supply chains and upended financial markets.

<http://www.newagebd.net/article/79263/chinese-cos-looking-to-buy-us-farm-products-state-media>

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 Ltd

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

Tanzin Naher
Research Associate

tanzin@basl-bd.com

BASL Networks

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 call at +8801993111666, +880 02 9515826, Ext: 101 at Business hour. For further query, write to us at research@basl-bd.com.