

Stock Market

Dhaka stocks surge on financial scrips

New Age, January 23, 2019

- Dhaka stocks surged on Wednesday after a slight gain in the previous day as investors resumed buying shares especially the financial scrips and Grameenphone after profit taking in the last couple of days. DSEX, the key index of Dhaka Stock Exchange, advanced by 1.01 %, or 59.77 points, to close at 5,925.24 points on Wednesday after gaining 6.15 points in the previous session.
- On Wednesday, the index hit a fresh 11-month high after February 19, 2018 when it was at 5,940.24 points. The financial sectors were the focal point of investment on Wednesday. Average share prices of bank and non-bank financial institution advanced by 3.1 % and 1.9 % respectively.
- The bank sector led the turnover chart, drawing 28 % of the day's total turnover. Out of the 30 traded banks, share prices of all the issues advanced while out of the 23 NBFIs, 21 advanced, just one declined and one remained unchanged.
- Share prices of telecommunication, food, and general insurance and energy sectors also advanced on the day. A rise in the share prices of Grameenphone, IFIC Bank, Islami Bank, City Bank and United Power Generation Company triggered the surge on the day.
- BSEC had sent BD Autocars and Legacy Footwear to the spot market on October 2 last year withdrawing the trading suspension on them. Earlier, on August 16 last year, the regulator suspended trading of the shares of the companies due to abnormal rise in their share prices.
- On Wednesday, the share prices of BD Autocars shot by 8.74 % to close at BDT 347.8 and that of Legacy Footwear by 2.24 % to BDT 219.40. Share prices of cement, textile and pharmaceutical sectors dropped by 1.2 %, 0.3 % and 0.2 % respectively on the day.
- The turnover on DSE surged to BDT 1,045.25 crore on Wednesday compared with that of BDT 890.66 crore in the previous trading session. Of the 336 companies and mutual funds traded on Wednesday, 150 declined, 165 advanced and 31 remained unchanged.
- DSE blue-chip index DS30 advanced by 0.83 %, or 16.92 points, to close at 2,043 points. Shariah index DSES added 0.18 %, or 2.43 points, to finish at 1,321.79 points. Premier Bank led the turnover leaders for the second day with its shares worth BDT 44.62 crore changing hands on the day.

<http://www.newagebd.net/article/62695/dhaka-stocks-surge-on-financial-scrips>

Banking sector snares 28pc turnover of DSE

Five banks among top 10 turnover cos

The Financial Express, January 24, 2019

- The banking sector grabbed 28 per turnover of the Dhaka Stock Exchange (DSE) on Wednesday. Five banks featured in the top turnover chart after long time. Five banks -- Premier Bank, IFIC Bank, City Bank, National Bank and Dhaka Bank- accounted for 14 % of the day's total turnover.
- Market analysts said investors continued their focus on the banking sector issues ahead of year-end earnings reports and dividend expectations. The banking sector also posted the highest gain of 3.12 % on Wednesday with all the 30 banks closed green. The financial sector and multinational sector will declare dividend soon as their year ended on December 31, 2018.

- According to statistics available with the DSE, about 26.10 mn shares of Premier Bank were traded, generating a turnover of BDT 446 mn, which was 4.26 % of the DSE's total turnover. The total turnover on the DSE stood at BDT 10.45 bn on Wednesday which was BDT 8.85 bn on the previous session. The bank's share price closed at BDT 17 each, gaining 3.65 % over the previous day. Its share traded between BDT 9.70 and BDT 17.70 in the last one year.
- The Premier Bank, which was listed on the DSE in 2007, disbursed 15 % stock dividend for the year ended on December 31, 2017. The bank's consolidated earnings per share (EPS) stood at BDT 0.44 for July-September 2018 as against BDT 0.50 for July-September 2017. In nine months for January-September 2018, consolidated EPS was BDT 1.40 as against BDT 1.37 for January-September 2017.
- The bank's paid-up capital is BDT 8.0 bn, authorised capital is BDT 10 bn and the total number of securities is 800.08 mn. The sponsor-directors own 35.22 % stake in the bank, while institutional investors own 18.59 %, and the general public 46.19 % as of December 31, 2018.
- IFIC Bank clinched the third spot, with shares worth BDT 331 mn changing hands. The bank's share soared 9.85 % to close at BDT 15.60. It was the day's second highest gainer. City Bank emerged fourth with shares worth BDT 277 mn changing hands. Its share closed at BDT 34.40 each, gaining 4.87 %
- The turnover of National Bank was BDT 192 mn. Its share price closed at BDT 11.80 each, advancing 5.35 % over the previous day. Dhaka Bank featured a turnover of BDT 187 mn. The company's share price advanced 0.53 % to close at BDT 19 each.

<http://thefinancialexpress.com.bd/stock/bangladesh/banking-sector-snares-28pc-turnover-of-dse-1548303797>

Companies, individuals face music

The Financial Express, January 23, 2019

- The securities regulator has imposed an aggregate amount of penalty worth BDT 51 mn on some companies and individuals for their 'active' involvement behind the 'unusual' price hike of two companies' shares. The probe body of the Bangladesh Securities and Exchange Commission (BSEC) found their involvement behind 'unusual' price hike of shares of Bangladesh Autocars and Legacy Footwear in August last
- The decision of imposing penalty was taken on Tuesday at a meeting held at the BSEC office. As per the probe report, Abdul Qauyum and Associates, Moinul Haq Khan and associates, Mahfuz Alam, Commerce Bank Securities and Investment, Md. Azimul Islam and Associates had involvement with the unusual price of hike of shares of those two companies
- As per the BSEC decision, Abdul Qauyum and Associates (Abdul Qauyum, Mrs Moriom Nesa and M/s Qauyum & Sons) will have to pay a penalty worth BDT 20 mn. Moinul Haq Khan and Associates (Padma Plus Ltd., Padma Jones and Collarm Lttd. Unit-2 and Rahmot Metal Industries) will have to pay a penalty worth BDT 1.0m
- The regulator has imposed a penalty worth BDT 10 mn on Mahfuz Alam. Md. Azimul Islam associates (Md. Azimul Islam, Lutfun Nessa Islam, Nabila Islam, Azizul Islam, Alif Textile Mills and Baitul Khamur) will pay a penalty worth BDT 20 mn. The securities regulator has taken the decision of issuing warning letter to Commerce Bank Securities and Investment. As per another BSEC decision, the share trading of Bangladesh Autocars and Legacy Footwear will resume in the main board today (Wednesday).

<http://thefinancialexpress.com.bd/stock/companies-individuals-face-music-1548219748>

\$100b garment export possible by 2024

The Daily Star, January 24, 2019

- Bangladesh will be able to export \$100 bn worth of garment items by 2024 as the international apparel retailers are placing an increasing number of work orders, said Commerce Minister Tipu Munshi. "By 2021, when Bangladesh will also celebrate its 50th anniversary, we will be able to export garment items worth \$50 bn."
- Last fiscal year, garment shipments fetched \$30.61 bn, according to data from the Export Promotion Bureau. The government has been developing 100 special economic zones across the country. This year, 370 companies from 22 countries are participating at the four-day exhibition to showcase products like yarn, denim fabrics, knitted fabrics, yarn and fibres, dyes, chemicals and innovative raw materials.

<https://www.thedailystar.net/business/news/100b-garment-export-possible-2024-1692091>

Locally assembled electric cars to hit streets soon

The Daily Star, January 24, 2019

- Nitol Motors is set to come with a locally-assembled electric vehicle by next year, in yet another big stride for Bangladesh's fledgling automotive industry. An electric vehicle uses chemical energy stored in rechargeable battery packs instead of fossil fuel to propel it.
- Globally, electric car market share is on the rise: at the end of 2018 it stood at 4.6 %, almost double from what it was in 2017, according to the Centre of Automotive Management (CAM), a German research and consultancy institute.
- China has the leading position in electric car use, followed by the US, Norway, Japan and the UK. By 2025, one-fourth of all new registrations will be made of electric cars, according to CAM. Nitol's model, which will be called Suvare, will be the size and feel of regular cars and will cost about BDT 12 lakh, said Abdul Matlub Ahmad, chairman of Nitol-Niloy Group. The maximum speed of the car will be 150 kilometres (km) per hour
- The plant, which will cost BDT 350 crore, will have the capacity to assemble 20,000 units per year. Initially, about 5,000 units of only one model will be assembled. Nitol Motors follows the lead of state-run Pragati Industries, PHP Family and Hyundai Motors in setting up assembly plants in Bangladesh.
- The company has set up a research and development centre in the capital's Uttara, where designs for the car and other components are being developed with the mechanical department of the Dhaka University of Engineering & Technology.
- The major bottleneck would be to get the EVs registered with the Bangladesh Road Transport Authority (BRTA) as there is no rule or policy for this new form of vehicle. At present, BRTA gives registration on the basis of the engine of a car. Since EVs derive all power from battery packs they do not have any internal combustion engine, fuel cell or fuel tank
- The battery's lifetime will be at least six years. In the near future EV owners can go for long drives as fast-charging stations will be set up at refilling stations along the highway. In 2017, the car market size in Bangladesh hit BDT 5,000 crore, according to industry insiders.

<https://www.thedailystar.net/business/news/locally-assembled-electric-cars-hit-streets-soon-1692118>

Economy

BB to unveil H2 monetary policy Jan 30

New Age, January 24, 2019

- Bangladesh Bank is likely to announce monetary policy for the second half of the current fiscal year 2018-2019 on January 30 amid falling private sector credit growth. Expediting credit growth flow for the private sector would be a major consideration of the central bank as creating new job opportunities largely depends on private sector investments, officials of BB said.
- Although BB, in its monetary policy statement for the July-December period projected to support 16.8 % credit flow in the private sector, the actual growth was far lower than the projection. At the end of December, the last month of the monetary policy for the first half, private sector credit growth declined to 13.2 %, the lowest in 39 months.
- Businesses were cautious in expanding their bank credit before the national polls held on December 30 of the immediate past year along with liquidity crisis in the banks ahead of advance deposit ratio adjustment by March this year. These were the major reasons behind the fall in private sector growth.
- Bangladesh Bank governor Fazle Kabir will unveil the monetary policy statement for January-June of the FY19. BB officials related to the monetary policy formulation held meetings in this regard aiming at supporting government's budgetary targets.
- On the other hand, supporting government's budgetary targets to achieve targeted growth would be the main consideration of the central bank in the upcoming monetary policy for the period of January-June of the FY19. In December, point-to-point inflation in the country further declined to 5.35 % from that of 5.37 % in November. In the monetary policy it was targeted to keep inflation within 5.6 %.

<http://www.newagebd.net/article/62694/bb-to-unveil-h2-monetary-policy-jan-30>

Govt plans to develop new coalmines by state-run companies

Studies on use of local coal to be completed soon

The Financial Express, January 24, 2019

- The government is planning to develop new coalmines on its own, breaking the decade-old stalemate over the issue. The coalmines will not be leased out to any foreign or local private sector company or their joint venture (JV) for exploration.
- Currently, the country has five coalmines, but coal extraction is limited to only one coalmine at Barapukuria in Dinajpur, utilising the underground coalmining method. The Barapukuria Coal Mining Company Ltd (BCMCL) is annually extracting around 1.0 mn tonnes of coal, most of which is consumed by the nearby Barapukuria thermal power plant.
- But a large quantity of coal will be required from next year, when a number of coal-fired power plants would start electricity generation. According to the Power System Master Plan, the government has a plan to generate around 50 % of the country's overall electricity from coal, officials said.
- To implement the plan, the government will have to generate around 12,000 megawatts (MW) of electricity from coal by 2024, 20,000 MW by 2030, and 30,000 MW by 2041. But the country currently has only three coal-fired power plants having the total generation capacity of only 524 MW, against the total installed capacity of 17,685 MW.
- There are, however, a number of under-construction coal-fired power plant projects, including a 1,320-MW power plant at Rampal, a 1,200-MW plant at Matarbari, four 1,200-MW power plants having the total generation capacity of 4,800 MW at Moheshkhali, and a 1,320-MW plant at Payra.

- Agreements have also been signed to set up coal-fired power plants to generate around 1,411 MW of electricity also by private sector companies. The officials also said the government has so far obtained a report of water modelling and hydro-geological survey on Barapukuria coalmine. The report stated that open-pit mining is possible there, subject to carrying out a mandatory geo-technical feasibility study.

<http://thefinancialexpress.com.bd/trade/govt-plans-to-develop-new-coalmines-by-state-run-companies-1548300451>

Govt to build 590MW plant in Anwara

The Daily Star, January 24, 2019

- A consortium of Bangladesh and Japan is going to set up a 590-megawatt gas-based power plant at Anwara in Chattogram. The cabinet committee on purchase approved a Power Division's proposal for the plant at a meeting at the secretariat yesterday, with Finance Minister AHM Mustafa Kamal in the chair
- The government will purchase power at BDT 2 to BDT 5.50 a kilowatt-hour unit for 22 years depending on the type of gas used in production. The flow of foreign direct investment to the country would increase with the participation of the Japanese company in the project, Kamal told reporters after the meeting.
- Dhaka-based industrial group United Enterprises & Co Ltd and Japanese companies Kyushu Electric Power Co Inc and Sojitz Corporation will operate the plant on a build-own-operate basis. According to the proposal, if power is produced using local gas, the government will buy electricity from the consortium at \$0.0368 (BDT 2.9493) per unit. The tariff will be \$0.0680 (BDT 5.4435) if re-gasified liquefied natural gas (RLNG) is used.
- If the plant uses gas, the government will pay about BDT 28,371 crore for 22 years and BDT 52,362 crore for the same period in case of RLNG usage. The committee also gave its consent to another proposal to import 14.20 lakh tonnes of petroleum products from January to June this year at an estimated cost of BDT 6,772 crore.
- Some 11.90 lakh tonnes of diesel will be imported with per barrel premium of \$2.95. One lakh tonnes of jet fuel with a premium of \$3.95 per barrel would be brought in. For imports of 30,000 tonnes of octane, the premium will be \$5.50 a barrel. It would be \$29.75 per tonne for 1 lakh tonnes of furnace oil.
- The petroleum products will be imported from Indonesia, Malaysia, Singapore, China, Kuwait and the Philippines under state-to-state arrangements, Nasima Begum, additional secretary of the cabinet division, told reporters. The committee gave a nod to another proposal of the Power Division to buy 150,575 prepaid metres and related equipment for Cumilla and Mymensingh zone at BDT 137.75 crore. China-based company Shenziang Star Instrument Ltd got the job.

<https://www.thedailystar.net/business/news/govt-build-590mw-plant-anwara-1692079>

Electronic waste disposal rules on the cards

The Daily Star, January 24, 2019

- The government is framing rules to ensure proper management of electronic waste (e-waste) such as handsets, computers and electrical items, which tend to be dumped haphazardly, posing risks to the environment and public health. The move comes in the face of increasing generation of e-waste owing to rising use of electrical and electronic devices in the country.
- The growth rate of e-waste generation is about 20 % per year, according to a study by the Bangladesh University of Engineering and Technology. The study carried out last year found that the amount of e-waste rose to 4 lakh tonnes in 2018 from 1.30 lakh tonnes in 2010. The volume is projected to be 46.2 lakh tonnes by 2035
- The e-wastes contain a number of toxic substances, including lead, chromium, and plastic additives, so their indiscriminate dumping poses health and environmental risks. Once the rule is in place, consumers will not be able to

throw away their obsolete electronic devices any place they like; rather they will have to deposit their e-waste to stores or collection centres.

- Similarly, manufacturers and assemblers of the devices will have to collect e-waste either for reuse or destruction during production of electrical and electronic goods and ensure delivery of the e-wastes to the registered repairers, dismantlers and recyclers, according to the draft rules on management of wastes generated from electrical and electronic goods.
- Not only that, companies would be responsible for establishing collection centres alone or collectively to store destroyed electrical and electronic goods. Export of the e-waste would be encouraged if there is no required arrangement for recycling and reuse of the goods, according to the draft. The draft says the e-waste cannot be stored for more than 180 days. Every manufacturer will have to take steps to reduce the use of dangerous elements within five years from the effective date of the rule.

<https://www.thedailystar.net/business/news/electronic-waste-disposal-rules-the-cards-1692100>

International

India approves \$400m currency swap for Saarc nations

The Daily Star, January 24, 2019

- India yesterday approved an amendment to a “Framework on Currency Swap Arrangement among Saarc member-countries” to incorporate a “Standby Swap” amounting to \$400 mn to guard against global economic volatility. The \$400 mn swap amount is operated within the overall size of the facility of \$2 bn
- It builds in flexibility with respect to modalities of its operation such as period of swap and rollover after due consideration of conditions of requesting Saarc countries and domestic requirements of India. The clearance was given by the Indian cabinet meeting presided by Prime Minister Narendra Modi.
- The Indian cabinet had approved the framework on March 1, 2012 to provide a line of funding for short-term foreign exchange requirements or to meet balance of payments crises till long term arrangements are made or the issue is resolved.
- Under the facility, India's Reserve Bank of India (RBI) offers swaps of varying sizes in US dollars, euro or Indian rupees to each Saarc member country depending on their two months' import requirement and not exceeding \$2 bn in total.
- The swap amount for each country has been defined in the facility, subject to a floor of \$100 mn and a maximum of \$400 mn. Each withdrawal will be for a three-month tenure and up to a maximum of two rollovers. The RBI will negotiate the operational details bilaterally with the central banks of the Saarc countries availing the standby swap.

<https://www.thedailystar.net/business/global-business/news/india-approves-400m-currency-swap-saarc-nations-1692061>

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